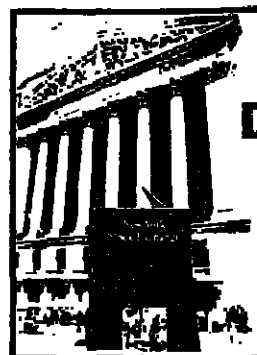


Pig hearts for humans?

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THE JERUSALEM POST

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Dow slides slightly

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China's great bloodless purge

By JONATHAN MIRSKY
PEKING. — As a result of the 13th Party Congress, known throughout China as 'the 13th Great,' virtually all the men who with Mao Zedong and Chou Enlai survived the revolution, the Japanese, the civil war, and the rigours and inner-party bloodlettings of decades of Communist rule, have departed. These elderly revolutionaries have given way with no public objection, and their successors have been handpicked to carry on; it is possible to say without cliché that an era has ended.

Deng Xiaoping, 83, has left the Central Committee and although known for his impetuosity and love of power, he knew that to cling to office would have been a major error.

Despite claims that his policies were deeply entrenched and irreversible, his presence in the Politburo would have been assumed, correctly, to be a sign that only with Deng on the spot could his disciples act and expect to be obeyed.

In any event, he will still enjoy the title of 'chairman' of the powerful Central Military Commission. Party rules had to be altered to permit a non-committee member to hold this post.

China is often a country of deals and compromise, and it had been expected that taken positions of honour would be accorded to the leading ideological critics of Deng's policies who feared that the policies were eroding central control and party discipline. It was these conservatives who during the first months of 1987 had appeared to be shaking the very core of the reformist programme.

To a man, they have been removed from the central committee: Peng Zhen, Hu Qiaomu, and Deng Lihou, the latter two of such hard-line conviction that they sponsored a secret meeting in May which planned to insert hundreds of anti-reform articles in newspapers to provide the illusion of popular antagonism to Deng's means and goals. Deng discovered the plot and excommunicated the ringleaders. Now they have paid the price.

The reformers have swept the board. Led by Zhao Ziyang, the (Continued on Page 3)

Congress delays action on shutting PLO office in NY

By WOLF BLITZER
WASHINGTON. — A House-Senate panel yesterday postponed until November 17 its consideration of pending legislation to shut down the PLO's office in New York.

The State Department has already announced its intention to close the PLO's information office in Washington, but is strongly fighting the legislative effort to do the same in New York. An intense, behind-the-scenes battle is brewing among House and Senate conference committee members involved in ironing out remaining differences in their respective State Department authorization bills.

At issue is an amendment, co-sponsored by Republican Senator Charles Grassley of Iowa and Democratic Senator Frank Lautenberg of New Jersey, which would legally mandate the closure of the PLO offices both in Washington and New York.



Thousands of kits against gas and chemical warfare were distributed in Jerusalem yesterday as part of a large-scale civil defence drill which also included mock exercises to restore war-shattered infrastructure. Hundreds of army reservists and GADNA youths participated. The Mamilla Quarter, empty of residents for years, served for emergency drills in fire-fighting, evacuation and other emergency procedures. (Gustavo Feinblatt/Media)

Negotiations fail to end IBA strike

By GREER FAY CASHMAN
Jerusalem Post Reporter

There was high drama yesterday in the broadcasting strike; but a day of tension ended without tangible progress in the month-long stoppage.

Broadcasting Authority director general Uri Porat, who for more than a week had shunned all contact

with striking journalists, was ready to sit down and negotiate. Porat had a new plan, he said, which had been given the green light by the Treasury.

However at the close of a two hour meeting last night between Porat, IBA head of personnel Amram Amar, Nahman Ory, the chief of labour relations at the Ministry of (Continued on Back Page)

Lonely Mansdorf: 'I may quit circuit'

Post Sports Staff and Agencies
Amos Mansdorf yesterday made quick work of Frenchman Thierry Champion to go through to the quarter-finals of the valuable \$840,000 Paris Open, and then dropped a bombshell — he is considering quitting the professional tennis circuit. The Israeli No. 1 told reporters that he is unhappy with the lonely life of a touring tennis professional and is considering quitting playing the circuit to go to university.

"The circuit isn't fun any more," said the 22-year-old Mansdorf after handing Champion a convincing 6-2, 6-3 defeat to move into a match-up with sixth-seeded American Tim Mayotte in Paris yesterday.

"Sometimes you wake up and wonder how long you can go on like this," he said. "Sometimes you feel you want to lead a normal life, doing things with your family."

"The circuit is changing. Very few players socialize," Mansdorf said. "I travel with a coach and when we go out to dinner there might just be three of us. We don't go to the bar with a bunch of guys. It just doesn't happen any more. It is easier for the top players because they can bring whoever they like with them."

"Players don't appreciate what they are getting. I think it is pretty sad."

Mansdorf has made a meteoric rise in world tennis, especially over the past couple of months when he has jumped into the world's top 20 after winning the Ramat Hasharon Grand Prix and notched victories against Jimmy Connors and Brad Gilbert.

"Amos is a rather moody person and is apt to make outrageous statements like this when he is lonely," his long-time coach Shlomo Zoref said last night. "But I don't believe for a minute that he has any serious intention of retiring from the circuit in the near future, particularly now when he is having by far the most successful period of his career on the Grand Prix circuit."

"Amos will probably wake up tomorrow morning and feel completely different about everything, full of motivation and enthusiasm and very optimistic," Zoref said.

Soviets will not dictate to their allies -- Gorbachev

MOSCOW (Reuters). — Soviet leader Mikhail Gorbachev yesterday called for renewal in the communist movement and stressed that the Soviet Union would no longer dictate policy to its allies.

In a speech to a meeting of foreign delegates to celebrations marking the 70th anniversary of the Bolshevik revolution, Gorbachev criticized what he termed the "arrogance of omniscience."

"It speaks of a tenacious habit of rejecting other points of view out of hand," he declared. "Here there can be no dialogue, no productive discussion and, worst of all, the cause suffers."

His statement was in sharp contrast to the attitude expressed by previous Soviet leaders, who have sought absolute conformity to Kremlin views and policies from their allies.

As Gorbachev was speaking, a senior Soviet historian gave an indication that a reassessment was planned of the 1968 "Prague spring" liberalization and the subsequent Soviet military invasion of Czechoslovakia.

"I think we need to think over the events of 1968," Georgy Smirnov, director of the party's Marxism-Leninism Institute, told a Moscow news conference, adding that he was reluctant to say more.

Many foreign analysts have com-

pared reforms in the Soviet Union under Gorbachev with those begun in Czechoslovakia under Alexander Dubcek.

In his speech, Gorbachev said the international aspect of the current Soviet restructuring drive was essential but it had been neglected during the "stagnation period" under the late Leonid Brezhnev.

"Like much else in the modern world, the communist movement needs renewal and qualitative changes," he said.

"But parallel activity in the respective countries alone is not enough," he said. "What is needed, if I may put it so, is a more sophisticated culture of relations among

progressive forces...to accumulate all the diversity of experience."

At the same time, Gorbachev stressed that the Soviet Communist party had no intention of abandoning socialist values. As far as the West was concerned, Gorbachev said the party did not expect or need admiration but a realization that "we are all in the same boat and we must behave ourselves to prevent it capsizing."

He said the exacerbation of world problems brought out new elements of peaceful coexistence, "requiring that political movements re-examine and reconsider their tasks and overcome prevailing ideological schemes and stereotypes."

Iran mobilizing to confront U.S. in Gulf

NICOSIA (Reuters). — Iran declared a week of mobilization to face U.S. forces in the Gulf yesterday, as millions shouted "death to America" in anti-U.S. rallies across the country.

Teheran Radio, monitored here, said several million people demonstrated in the capital shouted, "death to America," "the Persian Gulf: Reagan's burial ground", and "war, war till victory."

Addressing the rally in Teheran's Azadi square, parliamentary speaker Ali Akbar Hashemi Rafsanjani condemned the U.S. naval presence in the Gulf and Washington's policy of economic embargo and military pressure.

He declared, "A week of preparation for confronting America in the Persian Gulf will start tomorrow, and the parliament, government, news media, the armed forces and all capabilities should be mobilized in this week to let the American leaders know that they have made a big mistake." He gave no details of the mobilization programme.

But Rafsanjani did not repeat Iranian threats of military action against the U.S. and said: "We should be ready to give the principal response to America's adventurism in the war against Iraq because (Iraqi president) Saddam Hussein is an agent of America."

Iran has recently shown signs of

impatience with UN efforts to end the Iran-Iraq war, and Teheran Radio said on Tuesday that it might resort to military operations to force its demands.

Rafsanjani said the Americans lacked a well-defined policy towards the Gulf and said the U.S. build-up in the Gulf region — now numbering about 20,000 men on some 30 vessels — had no logical basis and had destroyed, rather than promoted security in the area.

The rallies marked the eighth anniversary of the seizure of the U.S. embassy in Teheran by militant Moslem students who held 52 Americans hostage for 444 days.

In other developments, Iraq said

its warplanes yesterday attacked a ship near the Iranian coast in the northern Gulf, launched destructive raids on two oil production units at Bazman oil fields, and also bombed a television transmission station at Tahrir, in southwest Iran.

Kuwait has started installing anti-missile reflectors to protect its oil installations, target of three missile attacks last month. Defence Minister Sheikh Salem al-Sabah said yesterday. He told *Al-Watan* newspaper in an interview that the emirate had found and detonated a floating mine in the Gulf this week.

Kuwait says Iran fired three Chinese-made Silkworm missiles at its coast.

Shin Bet report under fire

By DVORAH GETZLER

A general sense of dissatisfaction over the Landau Commission's report on the General Security Service (Shin Bet) permeated the Knesset yesterday. Speakers from the left criticized the limits the commission had placed on itself. The House expressed anger at Premier Yitzhak Shamir for failing to appear and answer 10 motions for the agenda on the issue.

For the government, Transport Minister Haim Corfu took refuge in the report itself and said nothing about the government's attitude.

Why, the Citizens Rights Movement's Shulamit Aloni wanted to know, had the commission not looked into the legal system within which the Shin Bet investigators had operated?

And, since it had not examined the legal system, why were its "feelings" that all was in order any more

to be relied on than anyone else's feelings? Why were the service's legal officers being left in their jobs? Had not the press continually reported on confessions being extracted under duress?

By the same token, why was the commission letting the political echelon off scot free? Shamir, she said, was on record as saying that he rejected the "dictatorship of the law." Vice Premier Shimon Peres, she said, had shown a lack of sensitivity in claiming that "an accident" had occurred in the Shin Bet. For, as the report made clear, there had been no accident, but a consistent policy of lying.

And, most serious of all, the report appeared to legitimize the use of force in extracting confessions. Although Israel was fighting a terror organization, it had to be remembered always that the courts were (Continued on Page 2, Col. 1)

Katyusha in Upper Galilee

SLA soldier killed, seven hurt in Hizbullah attack

By DAVID RUDGE

Jerusalem Post Reporter

KIRYAT SHMONA. — A Katyusha rocket exploded in Upper Galilee yesterday morning, several hours after a concerted attack by Hizbullah gunmen on a South Lebanese Army stronghold inside the security zone in South Lebanon.

Nobody was hurt and no damage was done by the rocket blast. Other Katyushas, fired at the same time, landed inside the security zone without causing casualties or damage.

The rocket attack was the second near the Israeli border in the past 24 hours.

One SLA soldier was killed and seven others were wounded during the three-hour gun battle in and around the stronghold, south of the village of Barashit.

The attack was launched at

around 2.30 a.m. under cover of a mortar bombardment from Hizbullah positions north of the perimeter of the zone. The terrorists also directed heavy fire at two nearby SLA outposts, apparently as a diversionary tactic.

Three SLA soldiers suffered slight shrapnel wounds in the mortar barrage. At the same time, scores of Hizbullah gunmen, armed with RPGs, rifles and grenades stormed the SLA outpost singled out for the main attack.

In the fighting around and later inside the position, one SLA soldier was killed and four others were wounded.

The Hizbullah issued a statement in Beirut saying 180 of its members had taken part in the assault. The statement said they managed to (Continued on Page 2, Col. 2)

Carlucci stepping into defence post

No change in policy after Weinberger, Israel told

By JOSHUA BRILLIANT

and HIRSH GOODMAN

Jerusalem Post Reporters

TEL AVIV. — U.S. Assistant Secretary of Defence Richard Armitage said here yesterday he believed incoming Secretary of Defence Frank Carlucci would not change policy towards Israel.

There will be "more of the same," he told defence reporters after meeting with Defence Minister Rabin. "You'll see no deviation from

the cooperation in which we're engaged with Israel."

A senior Israeli defence official, speaking privately, said later he too expected no policy change. Carlucci is assuming the new post only a year before President Reagan steps down, so there won't be much time to introduce changes, he said. Carlucci may be able to make a greater impact if he retains that post under the next president — but that is too early to predict, all the more so

since Carlucci is not known to be a close supporter of Vice President George Bush.

Armitage, who heads the unit handling international security affairs, wound up his two day visit to Israel saying he believed he had set the stage for the next round of strategic discussions — the Joint Security Assistance Planning talks — scheduled to take place in Washington from November 17 to 19.

(The last round of talks, in Octo-

ber, was cut short when Defence Ministry Director-General David Ivri was called home for the funeral of his son, Seren Gil Ivri.)

Yesterday's talks were largely devoted to a discussion of numerous research, development and procurement issues. Armitage described his visit as a goodwill trip "of sorts."

The talks were held amid Israeli concern over the effects of the economic crisis in the U.S. Israeli offi-

(Continued on Back Page)

Tolstoy almost walks out of Demjanjuk trial

By ERNIE MEYER

Jerusalem Post Reporter

There was a startling development in the Demjanjuk trial yesterday when defence witness Nikolai Tolstoy refused to continue his testimony in protest against what he called the court's prejudice against him, which would not be allowed in a "civilized Western country."

Only after consultations in chambers did the witness agree to continue to submit to further cross-examination.

The session opened with defence counsel John Gill saying that "the court is particularly biased and prejudiced against our witness. The witness can't take attacks on himself and his family."

Gill, speaking with increasing heat, charged that the court allowed the prosecutor to attack the witness personally. Expert witnesses for the prosecution had been questioned on their expertise, not on their political views, he said.

"You are misinterpreting our decisions," said court president Dov Levin. "If there is an appeal, you can have your say then. There is no basis for any claim of discrimination between witnesses. You can always object to a question you don't like."



A consultation at the Demjanjuk trial yesterday.

Prosecutor Yona Blatman wanted to react to Gill's charges, but Levin told him: "Don't react, I beg you." Tolstoy himself then spoke up: "If I'm not treated properly I can't continue."

Levin: "I protest against the way you speak. This is contempt of court, but I'll overlook it." Tolstoy: "I can't carry on unless..." Levin: "If you don't continue, the

defence must draw conclusions from your action. If you want a five-minute recess, go ahead." After the recess Gill said he wanted the court to instruct prosecutor Blatman to cross-examine the wit-

ness only on facts, not on his personal background."

Said Levin: "What you are doing is not acceptable in Israel. In cross-examination the opposing side can only enter objections on specific points. You can't dictate to the court how to conduct the trial."

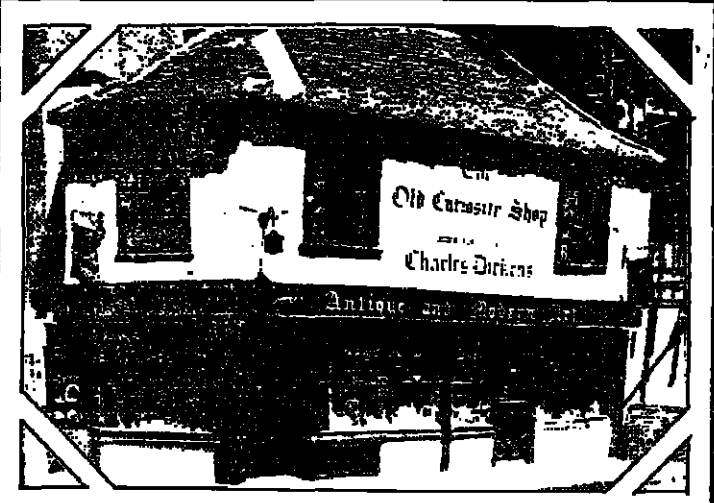
"I regret your attitude very much and I don't know how you came to make this declaration — I'm convinced you don't believe in it yourself. I also want to see order between lawyers — tell us if you have decided to split your roles. You can't both handle proceedings at the same time."

Levin added: "One more thing. We think that we are treating this witness extremely well. There was no reason whatsoever for his attack and the tone it was delivered in. We regret this deeply. During cross-examination yesterday you [defence lawyers] made only one or two objections."

Blatman then started to ask a question about World War II, but Tolstoy interrupted him: "In the absence of assurances of fair play, I can't participate further."

Warned Levin: "If you refuse to continue testifying, your action will (Continued on Page 7)

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	ALL	REL	MAX	C	F	
AMSTERDAM	5	41	7	46	Clear	
BRUSSELS	5	39	10	50	Cloudy	
FRANKFURT	14	60	20	71	Bala	
GENOVA	14	57	24	75	Cloudy	
LONDON	7	45	10	50	Clear	
MADRID	10	50	13	55	Clear	
MILAN	11	51	14	57	Clear	
MONTREAL	4	39	12	54	Cloudy	
MUNICH	11	51	17	63	Clear	
PARIS	11	51	17	63	Clear	
ROME	11	51	17	63	Clear	
SARAJEVO	10	50	13	55	Clear	
ST. PETERSBURG	14	57	24	75	Cloudy	
TORONTO	14	57	24	75	Cloudy	
ZURICH	8	46	12	54	Cloudy	

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THE WEATHER

Forecast: Pleasant.

	Yesterday's	Yesterday's	Today's
	Humidity	Min-Max	Max
Jerusalem	55	7-21	21
Golan	36	7-20	20
Haifa	67	-23	24
Safed	41	7-16	18
Haifa Port	59	16-23	24
Tiberias	38	10-22	24
Nazareth	39	11-22	25
Afula	44	8-24	25
Shomron	37	8-22	22
Tel Aviv	45	13-23	24
B-G Airport	38	10-23	24
Jericho	36	11-26	26
Cairo	38	14-22	23
Beersheba	27	8-23	24
Eilat	32	15-27	28

SOCIAL & PERSONAL

Knesset Speaker Shlomo Hillel on Tuesday received at the Knesset a delegation of the Foreign Affairs Committee of the Parliament of Finland, headed by its chairman, Markus Aaltonen. The group had lunch at the Knesset with Michal Harish, Sara Doron and Eliezer Granot, members of the Knesset Foreign Affairs and Defence Committee, and invited them to participate in a dialogue in Finland.

Vanunu's clergyman here

TEL AVIV (Reuters). — Australian clergyman John McKnight, who converted accused nuclear spy Mordechai Vanunu to Christianity, arrived in Israel yesterday to seek a meeting with the jailed defendant.

Palestinian asks Minister Shapira for \$20,000 to emigrate

Jerusalem Post Staff
A young Palestinian from a village near Jericho yesterday asked Minister Without Portfolio Yosef Shapira for \$20,000 to emigrate to the United States.

Bassem Abdel Fatah, 23, turned up yesterday outside the Prime Minister's Office in Jerusalem with a letter, written in Arabic, and asked to be allowed to hand it to Shapira, according to Gali Zahal reporter Yaron Dekel. The guard at the gate refused to admit Fatah, but the minister's aide, Avner Fuchsman, came down to the gate, accepted the letter, and promised that it would be dealt with.

Shapira recently caused an outcry when he said that he would be prepared to pay \$20,000 to any Arab willing to emigrate from the territories. Bassem Abdel Fatah said he read about Shapira's proposal in the East Jerusalem newspaper *Al-Kuds*.

KNESSET

(Continued from page one)

dealing with individuals who had to be treated according to the norms of our society, she said.

Mapam's Chaike Grossman also attacked what she said was the report's coverage of the political election's failures. She cited Italian writer Primo Levi, who had said of the Germans during World War II: "Those who knew claimed that they had not seen; those who saw, said they did not understand; those who understood did not believe; and those who believed told no one."

The report, she said, gave a full description of British methods of dealing with terror in Northern Ireland, but remained silent on Israeli methods. Nothing less than absolute frankness would root out the evil, Grossman said. The total sealing-off of the investigative department of the Shin Bet must be ended, and a parliamentary body must be set up to oversee its activities. For no one at all must stand above the law.

Labour's David Liba'i protested vigorously that the commission was attempting to usurp the Knesset's rights to legislate for the Shin Bet. The Centre Party's Amnon Rubinstein cited a need to change the law to allow the right of appeal against military court decisions in the territories. He urged that confessions alone should no longer be enough to convict.

The Likud's David Magen suggested that before those on the left worried about the rights of terrorists they would do better to ensure that the police did not infringe on the civil rights of innocent persons. Changes in the law were needed to help the Shin Bet operate efficiently but within a legal framework.

HOME NEWS

Ideological spat in party's supreme court

Herut's Amirav: I'll put party on trial

By ANDY COURT
If Herut central committee member Moshe Amirav has his way, the party will be put on trial next week — in its own supreme court — for offering neither a peace plan nor a realistic solution to the demographic problems posed by continued occupation.

Amirav, who recently shook up the party by meeting with Palestinians identified with the PLO, has been summoned to the party's court in Tel Aviv next Thursday to respond to a petition filed by central committee member Dr. Natan Kagan.

Kagan contends that Amirav should be expelled from the party, not because he met with PLO representatives in August, but because the political opinions he expressed afterwards mean relinquishing parts of the "Greater Land Of Israel," which in Kagan's view includes part of Jordan.

Amirav told *The Jerusalem Post* last night that if somebody wants a trial of ideologies, that's exactly what it will get: a trial of the party's current unwillingness to discuss ideological differences and come to grips with the tough issues posed by continued Israeli control of the West Bank and Gaza Strip.

"The Likud only says no to an international peace conference," Amirav said last night. "To what does it say yes? Nothing."

He plans to call in party members as witnesses that his views are not contrary to what Herut stands for. He also plans to dispute Prime Minister Shamir's views that peace can best be achieved through contacts with King Hussein, and that people should be optimistic that a new wave of Jewish immigration will set right the demographic imbalance between Arabs and Jews that continued occupation portends.

Thursday's potentially dramatic court hearing will be held behind closed doors, according to Eliahu Lankin, chairman of Herut's supreme court and Israel's former ambassador to South Africa.

Likud observers recalled only two occasions when members were expelled from the party for ideological reasons. Arye Naor, cabinet secretary when Menachem Begin was prime minister, was expelled about a year ago for advocating an international peace conference. Minister Without Portfolio Ezer Weizman was also expelled several years ago by the party secretariat.

Herzog, in Denmark, warns against too much optimism on Soviet Jews

By RUTH REMBAUM

COPENHAGEN. — President Herzog yesterday cautioned against excessive optimism that the Soviet Union has adopted a major change in its policy towards Soviet Jewry.

Speaking at a news conference, Herzog said a "real litmus test" of Soviet intentions would be whether Moscow allowed Jews to practise their religion and move freely within the Soviet Union, or go to Israel if they wished.

Speaking later to Israeli reporters, the president said "nothing has happened beyond what had been agreed to 18 months ago, namely that little by little the refuseniks would be allowed out."

At the news conference Herzog refused to respond to persistent questioning about Norwegian requests to inspect Israeli use of heavy water from Norway, which the Norwegians suspect was used to manufacture nuclear weapons.

The president said he was not "up-to-date" on this issue and reiterated Israel's oft-stated public position that it would not be the first country to introduce nuclear weapons into the region.

Herzog, on the first state visit to Scandinavia by an Israeli president, had lunch with Prime Minister Poul Schluter, and visited the Folketing, the Danish parliament, and Copenhagen's elegant synagogue.

He was received by Copenhagen's mayor and city council at City Hall, where he was joined by Queen Margrethe II and other members of the royal family.

Outside City Hall four demonstrators from the small, leftist Social Peoples Party unfolded banners bearing the Danish word for torture. After shouting "No to torture" a few times, the four folded the banners and left.

Herzog concludes his visit today with a trip to the fishing village of



President Chaim Herzog addressing the Copenhagen City Council yesterday. Seated next to him is Danish Queen Margrethe and next to her is Mrs. Herzog (AFP)

Gilleleje on the northern coast. Accompanied by the queen, the president will visit the church which was used as a hiding place for Danish Jews smuggled to Sweden by the

resistance with the help of the fishermen of Gilleleje during the Nazi occupation. Tomorrow the president returns home.

American film crew stoned, taunted at refugee camp

By ANDREA KING

For the Jerusalem Post
JERICHO. — An American film crew shooting in the Aqabat Jabbar refugee camp outside Jericho has been subjected to stone throwing and taunting by residents.

Riding the Edge, an adventure film directed by James Fargo (*The Enforcer*), is set in an unnamed North African country and tells the story of a young man trying to locate his kidnapped father. Shooting has already been completed in Acre.

Jaffa and Haifa and will continue in Eilat and the Dead Sea next week.

"It was impossible to trace who was throwing the stones or to do anything to stop them," said the film's producer, Wolf Schmidt. Local shopkeepers protested against the filming, despite the fact that they were being paid. "We kept our people out of their range and just didn't react. One of the men who stood in front of the cameras chanted 'America, no.'"

According to actor Raphael Sbarge, six army

trucks arrived at the camp after the stone-throwing incident. Yesterday, "a big rock, the size of a grapefruit, just missed a crew member." A fight broke out yesterday close to the set between an Arab and an Israeli soldier.

"There are obviously a lot of undercurrents here that we don't understand," said Schmidt, "but I can't figure out why we are encountering problems when we are only making a movie here and paying them to do so. Maybe this camp is an outpost for the Teamsters."

resistance with the help of the fishermen of Gilleleje during the Nazi occupation. Tomorrow the president returns home.

Toxic waste injuries get Knesset's attention

By LISA PERLMAN

and BRADLEY BURSTON
BEERSHEBA. — Official pressure on the Maktsheshim chemical concern here to tighten toxic waste controls gathered momentum yesterday, as recent cases of leak-related injuries reached the Knesset floor for discussion.

In a reference to the five Beersheba firefighters hospitalized last week as a result of an apparent toxic gas leak at the Maktsheshim plant, MK Nava Arad (Alignment) quoted the commander of the fire departments in the south as warning: "We are not adequately prepared for major incidents of chemical poisoning. If the recent poisoning had been on a larger scale, the outcome would have been catastrophic."

Arad disclosed that on the day the firefighters were injured, an employee of the Maktsheshim plant was treated at Soroka Hospital after "an explosion of hydrogen" at the factory.

Arad also demanded that the Health Ministry install inspection meters at toxic gas production sites to provide early warning of leaks. In response, the ministry's southern district chief engineer indicated that such a device would be installed at Maktsheshim.

Chemical wastes the colour of unhealthy urine yesterday continued to spew from a solitary pipe in Nahal Beersheba, a scant few kilometres from Neve Noy, this city's nearest residential area. Maktsheshim, which stands on Beersheba's edge, built the pipe as the first part of a three-stage plan to transfer its toxic wastes to the storage site in the Ramat Hovav industrial park some 12 kilometres away.

But on Tuesday, the District Planning and Building Committee recommended the plant's shutdown for failing to comply with government toxic waste regulations: the second stage of the plan, which was announced last year, has never been completed. And a month ago, ac-

ording to an Interior Ministry official, the Maktsheshim management said it would not continue with the pipeline because doubts remain as to its feasibility: the costly third stage involved the planting of a 150,000-tree forest, which would be irrigated by sucking up the waste water.

Some observers see this reneging as a strategy to stall for time in the plant's fight against pressure from the Health and Interior Ministries and the public to find a safe way of dealing with the toxic wastes it produces instead of dumping them in Nahal Beersheba, which it has done as a matter of course for years.

If the thousands of saplings that stand ready in a nursery are not planted by late February or early March, it will be another year before they can be planted — and this would mean another year of Maktsheshim continuing its polluting activities.

Next week, Arad will table an urgent Knesset motion on a range of ground-pollution issues involving Maktsheshim, including the plant's failure to build the promised chemical-waste pipeline to the toxic-storage site at Ramat Hovav.

The recommendation to close down the Maktsheshim plant has aroused controversy, principally because 1,500 job-holders would be directly affected. The final decision on shutting down the plant rests with the Beersheba mayor's office and with the Health Ministry's district health officer.

While Health Ministry officials would say only that they are studying the matter, sources close to Beersheba Mayor Shmuel Zilberman indicated yesterday that he has been given private assurances by Maktsheshim that the pipeline will be completed in the near future.

Beersheba residents have complained for years of bad smells and irritating substances in the air and water, and Maktsheshim has often been the target of their complaints.

SLA SOLDIER

(Continued from page one)

overrun the stronghold, and made off with weapons and radio sets. They also claimed to have destroyed an armoured personnel carrier and a jeep before retreating from the position. The statement added that three Hizbullah gunmen were wounded in the assault.

SLA troops later discovered blood and drag marks on the ground, indicating that the attackers had suffered a number of casualties. It was the first assault by the Hizbullah on an SLA position since May, and followed a series of successful IDF and SLA operations against members of the Islamic fun-

damentalist movement north of the security zone.

According to statements issued by Hizbullah spokesmen to the Lebanese media, the attack marked a renewal of the Iranian-backed organization's struggle to "liberate the South."

SLA sources noted that the Hizbullah terrorists passed three Irish Unifil positions in the region to mount their assault on the stronghold, but the international peace-keeping troops made no effort to intervene.

IDF sources noted that it was not the first time that terrorists had made use of Unifil positions as cover

Tat-Aluf Sneh: Idea of an enlightened occupation -- nonsense

Post Defence Reporter

TEL AVIV. — The former head of the civil administration in the West Bank, Tat Aluf Efraim Sneh, does not believe that there is such a thing as an "enlightened occupation."

In an interview published in the IDF's weekly, *Bamahane*, Sneh said the idea of an enlightened occupation is "kishkush," nonsense.

Sneh, who is about to quit the IDF, declined to discuss the reasons he stepped down, though he did not deny he differed with some of Defence Minister Rabin's policies.

Discussing developments in the West Bank he said many Israelis fail to realize that an educated, intelligent Western-oriented elite has emerged among the Palestinians over the past 20 years. "To a great extent they are very realistic."

They envy the advantages of Israeli democracy, Sneh said, and there is no doubt they occupy a leading position in Arab society. How-

ever, "they lack the courage to say in public what they say behind closed doors."

They are careful not to threaten the PLO's leadership. Even mayors insist that they are dealing with municipal affairs only and do not regard themselves as an alternative Palestinian leadership, he said.

Yet there is greater readiness to criticize the PLO "and a certain decline in the public's readiness to live under the shadow of terrorism (directed against Palestinians who do not toe the line). They themselves call it "ideological terrorism," he said.

Asked how the intelligentsia reacts to the murder of Jewish women, children and soldiers, Sneh said that privately most condemn terror, but in public they will condemn only the most vicious attacks, such as the murder of eight-year-old Rami Hava of Eilon Moreh.

Strike hits Arab towns' municipal services in protest against budgets

By DAVID RUDGE

Jerusalem Post Reporter
KAFR YASIF. — Arab local councils throughout the country began a two-day strike yesterday in protest against the "grave financial plight" of the local authorities, many of which have not paid their employees' salaries since September.

Municipal services of all the 48 Arab towns and villages within the Green Line were shut down, with the exception of garbage collection. Council heads said the strike was the beginning of a campaign to press the government to honour pledges on increased municipal budgets, improved education facilities and housing development.

"We had expected the government to at least tackle some of these outstanding problems following the 'Day of Equality' general strike in June. Instead all we have been given are more empty promises," declared Kafir Yasif local council chairman Nimr Murkoss.

Arab leaders claim they need NIS 50 million to cover deficits accumu-

lated, through no fault of their own, over the past few years.

They laid the blame on the government's "discriminatory policies" which resulted in Arab councils receiving only a quarter of the budgets given to similar-sized Jewish local authorities.

Murkoss, a member of the national committee of the Arab local councils secretariat, also refuted Interior Ministry allegations that the Arab councils had been lax in collecting rates and other taxes.

"If we had not done the maximum to generate income, the councils would have closed months ago. As it is, we don't have enough money to continue operating," he said.

"The Interior Ministry is proposing to tackle the problems of 10 or 12 of the worst-hit councils, and then another five or six and so on. But that's no solution," he said.

The national committee of Arab local councils is to meet in Shfaram today to consider its next moves, which could include calling a general strike of the Israeli Arab sector.

IDF promises full report on army accidents

By ASHER WALLFISH

Post Knesset Correspondent

The head of the IDF manpower branch, Aluf Matan Vilna'i, has promised the Knesset State Control Committee that it will provide a full report on IDF operations in which unnecessary casualties were caused by infractions of discipline.

Vilna'i said that while the IDF in general is a disciplined army, it occasionally has to contend with breaches of discipline.

He stressed, however, that the number of serious accidents during training had been drastically reduced following the application of stern measures.

He said the campaign against road accidents in the IDF was extremely effective. Six soldiers died last year in accidents involving civilian vehicles.

Each IDF unit must submit a monthly report to GHQ on all disciplinary offences, and commanders who deal with a large number of such offences are summoned to the chief of general staff, he said.

Ran Cohen (Citizens Rights Movement) asked Vilna'i to help fight AIDS in the army by making sure that soldiers are inoculated only with disposable syringes, and not with reusable syringes of the "Pedojet" type, which are used at present.

KNESSET ROUNDUP

Cohen said many parents of servicemen had asked him to intervene now that hospitals and clinics were all using disposable syringes because of the fear of AIDS. Cohen said he could not accept Vilna'i's reply that the changeover would only be instituted in stages.

Seat belts for all

The chairman of the road safety sub-committee appealed to the transport minister not to exempt taxi drivers and policemen on duty from using seat belts in town.

Uriel Lynn (Likud) wrote Minister Haim Corfu that even if the taxi drivers and policemen did not care about saving their own lives, the state should care about their dependants — whom it would have to support in cases of death or injury.

Abuse in boarding schools

"I hear stories of abuse and neglect in boarding schools which could come straight out of Charles Dickens," Yona Rosenfeld, professor of social work at the Hebrew University, told the Labour and Social Affairs Committee.

In a discussion on the recent spate of anonymous complaints about al-

leged maltreatment of boarders in a number of institutions, Rosenfeld said: "Youngsters who attend boarding institutions should be in there, in order to live a better life, and not in order to serve as clay in the hands of political or religious organizations."

He called for the appointment of more boarding school inspectors and for the implementation of around the clock inspections.

The director-general of the Ministry of Labour and Social Affairs, Yehoshua Davidovitz, said that a total of 11 inspectors for 200 schools was woefully inadequate, but the budget did not permit appointing more. Davidovitz said that he had asked the police to probe all the recent complaints of abuse, even though they were anonymous.

Dr. Yitzhak Kadman, head of the National Child Welfare Council, said no official body keeps accurate statistics of the number of boarding schools in the country and the number of pupils. He said that the amount budgeted by the ministry — NIS 600 per capita per month — makes it impossible to run any re-

spectable boarding school, when the real cost of keeping a boarder was NIS 1,200 per month.

Committee chairman Ora Namir said most of the boarding schools which refuse to permit inspectors entry were ultra-Orthodox.

Speaking on the same issue in the plenum, Deputy Minister Rafael Pinhasi said the ministry had decided to conduct two inquiries into conditions in boarding schools: one by a public committee, and the other by Prof. Rosenfeld.

New Years not kosher

Representatives of the Chief Rabbinate confirmed to the Interior Committee that the rabbinate regards the staging of New Year parties in hotels as grounds for withdrawing their kashrut licence.

Rabbi Yehoshua Polak and Shmuel Borenstein said that the observance of non-Jewish festivals is a violation of the Halacha, and a violation of the Halacha in general is a violation of kashrut, hence the staging of New Year parties constitutes "general disobedience of Chief Rabbinate instructions, which entitles the Chief Rabbinate to withdraw kashrut."

Acting committee chairman Ovadia Eli urged the hotel owners to negotiate with the Chief Rabbinate and reach a mutually acceptable arrangement.

With deep sorrow we announce the passing of my beloved husband, our dear father and grandfather

Rabbi MELVYN H. RUSH
of Rehovot (formerly of Chicago, Illinois).

Wife: Rose
Children: Ruzanne and Nachman Kileman, Rehovot
Devra and Rabbi Joseph Ungar, New York
Chaim and Sharon Rush, Kibbutz Rosh Tzurim
Dov, Yosef, Esther and Gavriel Kileman
Grandchildren: Avraham Eliyahu, Menachem Mendel, Aryeh Leib Ungar
Zehava, Tzlora, Dov and Ora Rush.

The funeral will take place at the Eretz Hachayim cemetery, Shimon Junction (near Beit Shimon) at 3:45 p.m. today, Thursday, November 5, 1987.
Shiva at 1 Rehov Yehuda Gur, Rehovot.

With great sorrow, we mourn the untimely death of our beloved

Yael COHEN ילית

We share in the grief of her family and friends. She will be deeply missed by all of us.

The Members of Kehilat Ramat Aviv

A special service will take place today, Thursday, at 10 a.m., at the synagogue, 5 Levitan Street (in Naveh Avim).

We mourn the death of

WILFRID BLACK
formerly of Leeds, England

Our condolences to his wife Rita, his children Barry and Liz Black, Yvonne and Jonathan Lipman, Ian and Maya Black, and his grandchildren.

Belt Shorashim

The members of the Israel Movement for Progressive Judaism share the deep grief of Shmuel and Amir Cohen over the death of their wife and mother

Yael ילית

Bruria Barish
Chairperson

My beloved wife, our mother and grandmother

JUDITH ROTHSCHILD ילית

passed away yesterday after a prolonged illness.

The bereaved family,
Ra'anana

To Shmuel Cohen we share your grief on the tragic loss of your wife and our colleague

Yael ילית

Ministry of Agriculture
Management and Employees

When a protest endangers public security

LAW REPORT / Asher Felix Landau

In the Supreme Court sitting as the High Court of Justice, before Justice Gavriel Bach, Justice Eliezer Goldberg, and Judge Ellyahu Winograd. In the matter of Saadia Marciano and others petitioners, versus Nitzan Rahamim Comfort, commander of the Southern District of the Israeli police, respondent (H.C. 600/87).

THE PETITIONERS, active members of various public bodies, applied to the respondent for a permit to hold a demonstration against "religious coercion, which seriously hampers suburban citizens, and against growing violence regarding places of recreation such as cinemas and restaurants."

The demonstration was planned for some 200 participants, and was to be held at the entrance to the Mea She'arim quarter in Jerusalem on the eve of the Sabbath.

The police agreed to the demonstration, not at the entrance to Mea She'arim, but at a point less than 80 metres away. The petitioners thereupon applied to the High Court of Justice for an order on the respondent to permit the demonstration at the place originally selected.

THE JUDGMENT of the court was given by Justice Gavriel Bach. The principles involved, he said, were not in dispute, the only question being whether they had been properly applied. There was no doubt that to demonstrate, and express opinions arousing strong antagonism, was a basic right in an enlightened democracy.

This right had to be jealously preserved, and it was the duty of the police to protect demonstrators against the disruption of a legitimate gathering. This right, however, was not absolute.

Justice Bach then cited Supreme Court precedents, including H.C. 153/83 (*The Jerusalem Post* Aug. 19, 1984), in which it was held that freedom to demonstrate could be limited, or even denied, if there were "a near certainty" of real danger to public security, despite all reasonable efforts by the police.

Theoretical or speculative danger, however, was not enough: there had to be a genuine and reasonable expectation, based on facts and past experience, that a danger really existed.

The police had given the reasons for their decision, he continued. The place proposed for the demonstration was opposite the most extreme yeshivot in Mea She'arim, whose students were accustomed to violent confrontation with the police. It had also been for many years a "Sabbath enclave," closed to traffic on that day. A demonstration at that point on the Sabbath would be provocative, and create "a near certainty" of violence and bloodshed.

The respondent added that a demonstration at the alternative point proposed, less than 80 metres away, would also demand a large force of police and present a serious security problem, and the petitioners' refusal to accept this compromise cast doubt on their professed intention to be tolerant and behave peacefully.

ON THE BASIS of the facts and the court's own knowledge of the area concerned, Justice Bach said, it was no justification for forcing the police to allow a demonstration in a highly sensitive area when it was convinced that, despite all possible precautions, a serious breach of the peace would almost certainly result.

Justice Bach also cited a judgment of the late Chief Justice Yitzhak Kahan, in which the court justified the refusal of a local authority to license a business which would deeply offend the local population, comparing such an activity "to opening a night club in the middle of Mea She'arim, or a tavern in an Orthodox Moslem suburb."

For the above reasons, the petition was dismissed, with no order as to costs.

Abraham Mentzel and Shlomo Amiel appeared for the petitioners, and Dorit Beinisch, the deputy state attorney, for the police. The judgment was given on August 27, 1987.

Love thy neighbour ... and his house

LOVE THY NEIGHBOUR is a maxim that should apply to houses, not only to the people who live in them, says Saadia Mandl. An architect by profession, chairman of the Tel Aviv regional Council for the Preservation of Historic Sites, and a romantic at heart, he is horrified at the vandalism inflicted by new buildings on older, more harmonious neighbourhoods.

He admits that all big cities are guilty of atrocities against their history, but thinks that Paris is perhaps the least culpable. He does not like the 100-storey black tower of Montparnasse, "but the French have preserved a certain harmony between the old and the new." He spent a year there, studying sculpture at the Beaux Arts, but then decided to switch to architecture, and moved to London.

"But I decided that, since I was going to work in Israel, I should get the final polish there, so I did my last two years at the Haifa Technion."

Mandl was born in Novi Sad, a pleasant little town on the Danube



Saadia Mandl

No, he does not want the old to be preserved at all costs; not even a particular building or two. He preaches cohabitation between all eras, all styles - ancient walls, old Arab houses, Templars' villas, Bauhaus houses, neo-Orientalism, Art Nouveau, everything.

Not everywhere, but in carefully selected areas. He would preserve the aura of Boustros Street in Jaffa (the painter Nahum Gutman also dreamed of it). He approves of Adam Mazor's plan for Lev Tel Aviv, although the municipality still has to give it official approval.

"I would have the Montefiore quarter reconstructed from scratch - drive away the garages and workshops that pollute the air," he says, but Neveh Tzedek cries to be preserved, as well as the area around Rehov Kalisher.

MANDL IS FULLY aware of the compelling financial interests of landlords who want their property to yield a greater profit. "So they purposely leave their houses derelict, until there seems to be no reason, or possibility, to preserve them. Thus high-rises appear at incongruous places, just because their owners happened to be able to exercise pull in the right places."

If landowners realized that they would never be granted permission to build high-rises, he says, they would care for their property. But he does not have great hopes of beauty prevailing over self-interest.

Still, one has to try. Recently, Mandl opened an exhibition of the photographs of another romantic, Zvi Zelikovit, at the Rubin House in Tel Aviv's Rehov Bialik. The exhibits enhance the charm of old staircases, peeling walls, rusted iron shutters. The exhibition is called *Hazilu*. Meaning SOS.



Sraya Shapiro

in northern Yugoslavia. His father, a militant supporter of Jabotinsky, was indignant that the Zionist Congress of 1933 refused to declare that the aim of Zionism was the establishment of a Jewish state. As fate would have it, he died in an air crash near Athens in 1947, while on a mission for the Zionist Organization.

SAADIA GREW UP in Tel Aviv, "not far from the houses of the German Templars in Sarona, but nobody cared to tell me about them - or about any of the other inhabitants of this country." But his respect for the past leads him to reprobate the developers who thoughtlessly cut roads through areas that contain vestiges of older cultures.

He was a natural choice for the team that worked to preserve Old Jaffa as an artists' colony, and was also one of the team that reconstructed the Old City of Jerusalem. "We preserved intact all walls that remained standing after the Jordanian occupation," he declares proudly. He deplores the fact that Haifa planners allowed the Carmel ridge to be ruined by multi-storeyed structures.

CRICKET Not even Imran can keep Aussies from reaching finals

LAHORE (Reuter) - Allan Border's Australians overcame World Cup favourites Pakistan by 18 runs in a dramatic semi-final here yesterday, swamped by the noise of a fanatical crowd.

More than 30,000 spectators filled the Gaddafi Stadium with a piercing din from the moment play started on a sunbathed morning. They had come to cheer Pakistan, they had come to bid a passionate farewell to their beloved captain Imran Khan.

Australia were unmoved. Border boldly elected to bat first on a pitch that promised to be lively only in the opening overs, an expectation that was realised, and Australia's total of 267 for eight from 50 overs represented a difficult target on the slow surface.

Pakistan started badly, recovered through a century stand between Imran and Javed Miandad, but found the 81 needed off the last 10 overs too much for them. They were all out for 249 off the last ball of the 49th over - and it was Australia who were packing their bags for Sunday's final in Calcutta against either champions India or England, who meet in the second semi-final in Bombay today.

Imran was a picture of dejection as he congratulated Border after the match. He had set his heart on bowing out of international cricket with a World Cup victory and his team

Qadir's car, farewell present for Imran

Leg-spinner Abdul Qadir was given a car as the man-of-the-tournament but the little Pakistani, in a gesture of appreciation to his Imran Khan, took the microphone and said he was giving it to his captain as a farewell present.

Australian Craig McDermott's figures of five for 44 were the best of the tournament and he was presented with the man-of-the-match award.

Allan Border, who was congratulated by Pakistan president Mohammad Zia ul-Haq after the match, said: "I am extremely happy that we have won. After we won the toss and made a big score we were confident we could restrict Pakistan."

But Border's decision to bat first proved the decisive move. As the pressure mounted, the Pakistan batting crumbled and

after Imran was fourth out at 150 in the 36th over, the likelihood of a Pakistan victory steadily receded.

For Australia, it was the first time they have reached the final since the inaugural world cup in 1975. Their man-of-the-match was fast bowler Craig McDermott for his five wickets, but it might have been David Boon for his battling 65 and it might have been Border for his leadership and for taking Imran's wicket at a crucial moment.

Pakistan made a calamitous start to their innings when an over-eager Rameez Raja was run out in the first over. Mansoor Akhtar was bowled in the ninth over, playing across a ball from McDermott, and when Salim Malik was caught off the first ball of the 11th over, Waugh's loosener as he came on to bowl, Pakistan were 38 for three.

When Pakistan were 150 for four, a huge burden rested on Miandad's shoulders. Wasim Akram hit Border and McDermott for six but was bowled by McDermott trying another slog and Ejaz lofted Bruce Reid to Dean Jones at deep square leg.

With the score 246 for eight and two overs left, a Pakistan win was still just possible. But the 49th over proved the last, with McDermott and Dyer combining twice more to remove Jaffer and Tauseef.

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YOU CAN'T PUT A PRICE ON RENAULT RELIABILITY

Industrialists fear environmentalists

Sweden is strict on ecology

By ALAN ELSNER

STOCKHOLM (Reuters)—A senior Swedish industrialist recently said it was worth sacrificing a couple of trees to build an access road to a factory. The remark caused a national storm.

In Sweden, where fighting pollution is the top national priority, it is almost heretical to question whether concern for the environment has gone too far.

Yet, slowly, hesitantly and in muted voices, this is what some industrialists are beginning to ask.

"A lot of industry is taking a too defensive attitude over the environment," said Kjell Nilsson, president and chief executive of Sweden's largest mining conglomerate Boliden.

"I meet a lot of people in industry who say let's not argue because it might get worse. I think this is the wrong attitude because then you're retreating and retreating and retreating and the authorities don't know where the limit is," he told Reuters.

Nilsson is in a minority. But others are beginning to voice similar sentiments.

Last February, Volvo, Sweden's largest company, created a new post of vice-president for environmental affairs to counter the growing pressure of the environmentalist lobby.

We recognize that the environmental lobby could impede the progress of industry, the vice-president, Sigvard Holmgren, told Reuters. He said the company, which invested around \$50 m. a year in environmental protection research and development, was concerned that proposed new legislation to put stricter limits on diesel fuel emis-

sions might damage Volvo's international position.

"If the rules are so tough that non-Swedish producers cannot enter our market, they could accuse us of trade protectionism. If one country was to be unique in its legislation, it would create problems for that country," he said.

According to Richard Almgren, a civil engineer and environmental specialist with Sweden's Industry Federation, Swedish industry has led Europe in reducing emissions of toxic gases and other pollutants over the past two decades.

On sulphur dioxide, for example, countries in Europe are debating whether to commit themselves to a 30 per cent reduction. We have already achieved 70 per cent and are discussing going for 80 per cent, he said.

This has been achieved with an annual investment by industry in the range of \$170 m. dollars a year over the past 15 years — about four per cent of total industrial investment.

But even the federation, which has enthusiastically embraced environmentalism, recently issued a veiled warning that matters might be going too far.

Swedish legislation in this field is rigorous already and it is vital that governments do not act in a manner that jeopardizes industrial development, it said.

Almgren said a number of industrial plants had been forced to close because they could not meet environmental demands.

"As for the people who lost their jobs — well, they lost them," he said. The chemicals industry was so concerned by its negative public im-

age that it devoted the latest edition of its quarterly trade magazine entirely to environmental issues.

"Safer chemicals — a better environment," read the front-page headline. An editorial said the industry had invested around \$1.5 billion in environmental protection over the past 15 years and reduced emissions by between 65 and 95 per cent.

It went on to plead against the imposition of further environmental taxes, currently under consideration by the government.

Boliden's Nilsson said his company had closed some chemical plants because environmental requirements had pushed production costs up to uncompetitive levels.

"That doesn't help Sweden. We are not going to help Sweden by killing our own industry and hoping that the rest of Europe is going to commit suicide just because we are dead," he said.

But the Social Democratic Government seems determined to demand more rigorous standards.

Prime Minister Ingvar Carlsson recently said new legislation was being prepared to limit the ability of companies to transfer money to investment funds.

These transfers will be used only for measures that improve our environment, he said, as for Nilsson's concerns, the government is unsympathetic.

"That company (Boliden) represents a rather primitive attitude," Environment Minister Birgitta Dahl told Reuters.

It is a big, rich concern with a lot of economic and technical resources and one can demand that it uses them as do other industries for the environment, she said.

Islanders seek Israeli water treatment unit

By JEFF BLACK

For The Jerusalem Post

The tiny Caribbean island of St. Martin, with a population of just 25,000, hosts each year around one million tourists. While this is good news for the local economy which is almost entirely dependent on tourism, such a mass influx of people does cause problems.

A lack of fresh water is one of them. The island's annual rainfall of 43 inches is not sufficient to cater for the number of guests filling up the hotel rooms. As a result, the Island Legislature's Democratic Party leader Dr. Senator A.C. Wathey is currently in Israel to discuss a proposed contract with Israel Desalination Engineering Ltd. (IDE) to construct a new water plant in St. Martin to produce 3,000 tons of water a day.

For IDE, this is an important project, and not just because of the \$6 million it stands to gain if the contract is signed. Thomas Loewy, IDE's president said yesterday that "we want to maintain our market superiority in the Caribbean. For us this is a prestige project which we want to see showcase." At present IDE's six plants in the Netherlands Antilles group of islands in the Caribbean, to which St. Martin belongs, produce around 50 per cent of the area's fresh water.

IDE's desalination process is basically one of distillation. Sea water is heated, the vapours collected and then condensed into pure distilled water. The company's major selling point is that it has developed a system to heat the water through using waste heat from any heat source. For the St. Martin project, IDE intends harnessing the heat from the island's diesel electricity-generating engines.

According to Wathey, fresh water currently costs the island \$6.50 a ton but if the IDE plant is built, then the price will fall to \$1 a ton.

So far no decision has yet been taken on the contract, for which rival French, Japanese and Danish firms are also bidding. But Wathey said yesterday "the IDE has so far given us the best, most extensive, comprehensive proposal." He said a final decision would be taken around January.

While pointing out that he does not have the final say in deciding who will win the water plant contract, Wathey did acknowledge that his recommendation will probably be accepted and he hinted that it would go the IDE's way.

As part of his visit here, Wathey will meet with Energy Minister Moshe Shahal today before returning home tomorrow.

THE TAX BURDEN/ Jeff Broide

More on setting-off of VAT

Various Services or Facilities Provided by The Employer to Employees

In the Ata case, the Supreme Court ruled that where VAT paid on the purchase of various goods for the business has been deducted, and such goods in fact were used to provide certain facilities or services to employees, then there is an obligation to pay VAT on the "sale" to the employee. These include meals, housing, gifts, entertainment and such like which are intended for the benefit and advantage or well-being of the employees and their families.

Alternatively, the VAT incurred in providing such services may not be deducted and then no VAT will be payable on the sale thereof (that is the providing of such services) to the employees. Generally speaking, the rule is based on whether the real advantage is that of the workers or of the business enterprise itself. In certain cases this rule may be waived.

These include the transportation of workers to the place of work, conditional on certain requirements such as there being no alternative means of transportation, the place of work being difficult to get to, the hours of the employees being such as to necessitate and such like. Clothing too may enjoy this exemption where it serves mainly for purposes of work and has no additional benefits — these include overalls, protective glasses and such like. Not included in these exemptions are services such as various forms of entertainment, congresses and training sessions outside the premises, summer camps for employees' children and such like for employees.

Again, it should be noted that in these latter examples

the business may set off the VAT incurred in providing such services, but then will be liable, as it were, to the VAT on the sale thereof as indicated above. Generally speaking, the value of the services in such sale will be based on the cost of providing them. Expenses on entertainment, meals, refreshments and travelling are governed by similar provisions to those of Income Tax and generally speaking therefore, the VAT thereon will not be deductible, save in cases such as entertainment overseas persons or *eshel* (meals and accommodation incurred at certain distances from the business premises) and so on.

Setoff of VAT on Compensation Received for Damage to Assets

Where the authorised dealer deducts VAT incurred on repairs to assets damaged by fire, theft and such like, he acts entirely within the Law. In addition, where an amount is received in compensation for such damage from the insurance company or other person, then such amount does not, in fact, constitute a "transaction" in terms of the VAT Law and, therefore, is not liable to VAT. The circumstances of the case must always be examined carefully to ascertain whether in fact this is the case.

The information provided here is based on recent internal directives of the VAT authorities, who are to be commended on their detailed explanations of various day-to-day problems encountered in dealing with VAT reporting and the payment thereof.

The writer is a Certified Public Accountant (Israel).

Dagon wants longer Haifa concession

By YA'ACOV FRIEDLER

Jerusalem Post Reporter

HAIFA.—The Dagon silo company has started negotiations with the government to extend its 49-year concession for its Haifa port silo, due to expire in 2003, for at least another 13 years to the year 2016.

This would align the Haifa concession with that of Dagon's new Ashdod port silo, granted for 35 years in 1981.

Under the concession agreements, both silos are to become government properties when the concessions expire.

Dr. Reuben Hecht, chairman of Dagon, told *The Post* it would be "incongruous and highly inefficient" for the Haifa silo to revert to the government 13 years before the Ashdod concession expires, as both silos are run by a single administration and technical department in Haifa.

In effect, Dagon had won the tender for the Ashdod silo precisely because it was able to put in a very low bid and only negligible additional overhead costs were involved in running two silos by a single management.

The government apparently favours the extensions, as otherwise a duplicate management would have to be set up in Ashdod, which would considerably raise the operating costs.



The Dagon silo in Haifa Port.

(Braun)

The two silos handle Israel's grain imports, which currently total about two million tons annually. Furthermore, it could hardly be expected that a governmental management might be cheaper than one of a private company responsible to its shareholders.

The issue is also seen by some businessmen as an initial test of the government's official policy of privatizing government companies. Taking over the Haifa silo would be a step in the opposite direction, turning private concerns into state-owned enterprises.

Matam customers to get their money

By KEN SCHACHTER

For The Jerusalem Post

TEL AVIV.—The Tel Aviv District Court has approved a settlement that gives 1,400 Matam customers the opportunity to recover 75 per cent of the money they paid the bankrupt chain for undelivered appliances.

Two trustees, one representing the consumers and the Israel Consumer Council, and the other the liquidator, were appointed to execute the settlement.

One trustee, lawyer Daniel Ernst, said the Moshav Movement was ex-

pected to add NIS 700,000 to the NIS 300,000 it already has deposited in the settlement account. Another NIS 1 million is to be provided by several banks led by Bank Mizrahi.

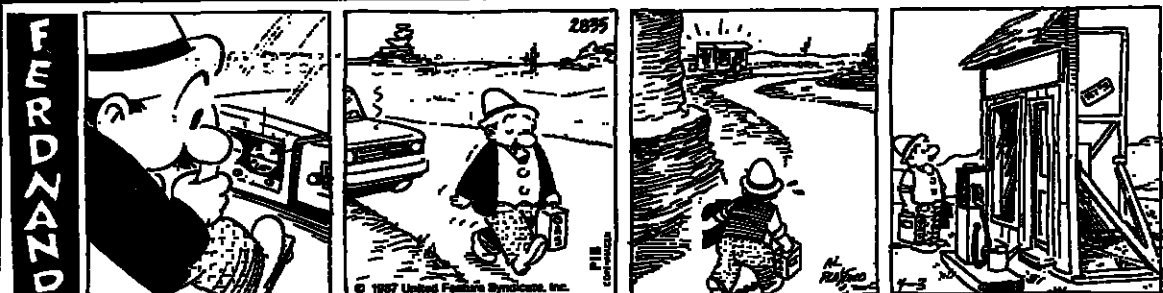
Would-be purchasers, who will be notified of the settlement by mail, have the option of getting back 75 per cent of the money they paid Matam, or paying 25 per cent over the retail price for the appliance of their choice. More than two-thirds of customers involved in the case had paid for refrigerators.

Matam, which was controlled by the Moshav Movement, had debts

totaling about \$60 m. The chain closed its branches 10 months ago, forcing irate consumers to press legal action.

Ernst said the settlement, approved by the court on Sunday, could take "a few weeks and maybe a lot longer" to carry out. In some cases, he said, the customers' cheques have "gone through a lot of hands," requiring the trustees to follow a complex paper trail.

The consumer settlement, Ernst said, will have no bearing on legal actions by Matam creditors.



CROSSWORD

DOWN

- 1 He makes a crust with very little effort (6)
- 2 More Liberal politician in real trouble! (6)
- 3 Freed from liability, Devon banker and Frenchman take little part (6)
- 4 Just a horse—but that's quite a lot (4,6)
- 6 Will she raise the roof in the House? (8)
- 7 Wrongly report the winner of an art gallery beauty contest? (6)
- 8 Nice organisation in safe surroundings makes for an easy job (8)
- 13 Used another workman (6-4)
- 15 Ready-cut, and ready for use (8)
- 16 When it comes to theological commitment, he is coasting freely (8)
- 17 Walked slowly along the street and staggered from side to side (8)
- 19 Call off the act and ring the changes again (6)
- 20 The very last point won by Wimbledon champions (6)
- 21 Execute advice given to an ambitious teacher (6)

ACROSS

- 1 Stop! The holiday's cancelled (5,3)
- 5 Put one's foot down and makes an impression (6)
- 9 Such a bed can't possibly be sweet (5-3)

- 10 Minister would put equal value on a child (6)
- 11 The ideal perm Alex devised (8)
- 12 Sour airman with a nervous spasm (6)
- 14 It's endearing terms mean nothing to a landlord (4-6)
- 18 The Tories are heading the polls and riding high (5,2,3)
- 22 Professional has great weight in a nuclear centre (6)
- 23 He's caught in a low-class den, by gum (8)
- 24 Noisy toy may cause exasperation (6)
- 25 Brave opponent, but he doesn't look it (4-4)
- 26 What cryptanalysts do to a Christmas poem? (6)
- 27 Did I lose out on being worshipped? (8)

Yesterday's Solution

C P I E B A A
I O N I A N S E A Q U I D A
L N S A S G M
D I R E C T O R A N U B I S
C R I T I N S R
M O R N I G H T J A R
P O R N E S W H I S T L E
R E B D I E
S T O P T O M S A C K
F O M O P A I
B O O T L E F R A C T I S E
L I N C N N T
A I L S M U S I C A L L Y
O M T C P E

QUICK SOLUTION

ACROSS: 1 Person, 4 Knell, 8 Trust, 9 Mustard, 10 Travail, 11 Siye, 12 Let, 14 Oboe, 15 Unit, 18 Doe, 21 Lost, 22 Subject, 25 Vanilla, 26 Jetty, 27 Rayon, 28 Strand, Down: 1 Potato, 2 Rhubarb, 3 Outdated, 4 Kias, 6 Exact, 8 Ledger, 7 Small, 13 Turbo-jet, 16 Inertia, 17 Clever, 19 Essay, 20 Stayed, 22 Sunny, 24 Flan.

QUICK CROSSWORD

- 1 Ball game (6)
- 2 Detected (6)
- 3 Allowed (6)
- 4 Amphibian (4)
- 10 Harvest crop (4)
- 11 Achean sage (5)
- 12 Source (6)
- 14 Stinging plant (6)
- 15 Female parent (6)
- 17 Divine incarnation (6)
- 19 More badly (6)
- 20 Flare covering (4)
- 22 Halt (4)
- 23 Unable to be eased (9)
- 24 Not long past (6)
- 25 Itinerant (6)

- 1 Military entertainment (6)
- 2 Waft (4)
- 3 Delish's lover (6)
- 4 Sewing thread (6)
- 5 Consumer (4)
- 6 Alcoholic liquor (6)
- 7 Mohammedan Asian (9)
- 8 Without resources (9)
- 11 Tendon (6)
- 12 Impudence (6)
- 15 American playwright (9)
- 16 Drawing creature (6)
- 17 Aim high (6)
- 18 Official account (6)
- 21 Formerly (4)
- 22 Disagreement (4)

THE JEWISH AGENCY ISRAEL EDUCATION FUND TENDER NO. 81/666/87

1. THE JEWISH AGENCY (hereinafter the Agency) invites tenders from building contractors for the construction of: THE NEIL NOBRY "MAG" COMMUNITY CENTER IN SDEBROT WITHIN THE FRAMEWORK OF PROJECT RENEWAL.
2. The projected construction is approximately 500 sq.m.
3. Conditions of the tender, as well as all other pertinent information, can be obtained from Sunday, November 8, 1987 from the Agency, 17 Kaplan Street, Tel Aviv, room 717 between 9:00 a.m.—12:00 noon, against a non-refundable deposit of NIS 300.
4. A special tour of the construction site for contractors will be held on Monday, November 16, 1987, departing at 9 a.m. from the Engineer's office at the SdeBrot Local Council.
5. Bids should be submitted not later than 1:00 p.m. on Wednesday, December 2, 1987 at the address mentioned in paragraph 3 above.
6. This tender is open only to contractors registered in accordance with the Act regarding Registration of Contractors for the execution of Engineering and Construction Works 1969, such contractors to abide by requirements of the Act and to be eligible to carry out the works as specified.
7. The Agency does not undertake to accept the lowest, or any other bid.

0143-15-022

THE JEWISH AGENCY ISRAEL EDUCATION FUND TENDER NO. 81/666/87

1. THE JEWISH AGENCY (hereinafter the Agency) invites tenders from building contractors for the construction of: COMMUNITY CENTER AT AMISHAV QUARTER, PETAH TIKVA (STAGE B) WITHIN THE FRAMEWORK OF PROJECT RENEWAL.
2. The projected construction is approximately 1,100 sq.m.
3. Conditions of the tender, as well as all other pertinent information, can be obtained from Sunday, November 8, 1987 from the Agency, 17 Kaplan Street, Tel Aviv, room 717 between 9:00 a.m.—12:00 noon, against a non-refundable deposit of NIS 350.
4. A special tour of the construction site for contractors will be held on Monday, November 16, 1987, departing at 10 a.m. from the swimming pool at Amishav Quarter, Petah Tikva.
5. Bids should be submitted not later than 1:00 p.m. on Wednesday, December 2, 1987 at the address mentioned in paragraph 3 above.
6. This tender is open only to contractors registered in accordance with the Act regarding Registration of Contractors for the execution of Engineering and Construction Works 1969, such contractors to abide by requirements of the Act and to be eligible to carry out the works as specified.
7. The Agency does not undertake to accept the lowest, or any other bid.

0143-15-022

EMERGENCY PHARMACIES

Jerusalem: Kupat Holim Clalit, Roma, 523191; Baisam, Salah Eddin, 272315; Shu'afat, Shu'afat Road, 910108; Dar Alkawa, Harod's Gate, 282055; Tel Aviv: Sanitas, 83 Ibn Gabirol, 248003; Briut, 28 Hamelech George, 283731; Ra'anana-Kfar Sava: Shuali, A. Joffe, Ra'anana; Netanya: Porat, 76 Petah Tikva, 340867; Krayot area: Kupat Holim Herten, Simat Modlin, 715138; Haifa: Kupat Holim Meccabi, 8 Yalag, 672472.

DUTY HOSPITALS

Jerusalem: Hadassah Ein Karem (pediatric, ophthalmology), Shur Holim (internal, E.N.T.), Shure Zadek (obstetrics, surgery, orthopedics), Ichivol (internal, surgery), Netanya: Laniado.

POLICE 100

Dial 100 in most parts of the country. In Tiberias dial 524444, Krayot Simons 4444.

FIRE 102

In emergencies dial 102. Otherwise, dial number of your local station as given in the front of the phone directory.

FLIGHTS

24 — Hours Flight Information Services: Call 03-6712484 (multi-line), Arrivals Only (Taped Message) 03-381111 (20 lines)

FIRST AID 101

Magen David Adom

In emergencies dial 101 in most parts of the country. In addition:

Ashdod 51332 Jerusalem *523133
Ashkelon 23333 Krayot 344442
Bat Yam *551111 Krayot Simons *94934
Beersheba 74767 Netanya *23333
Carmiel *986325 Netanya *23333
Dan Region *761111 Petah Tikva *523111
Eilat 72333 Rehovot *451333
Hadera *22333 Rishon LeZion *42333
Haifa *512233 Safed 502333
Hatzor 936333 Tel Aviv *5460111
Holon *03133 Tiberias *790111

* Mobile Intensive Care Unit (MICU) services in the area, around the clock.

Erin — Emotional First Aid, Tel. Jerusalem 227171, Tel. Aviv 5461111 (children/youth 03-261113, Haifa 672222, Beersheba 418111, Netanya 35316).

Rape Crisis Centre (24 hours), for help call Tel. Aviv, 224818, Jerusalem — 245554, and Haifa 680111.

The National Poison Control Centre at Ramat Hashikma, phone (04) 525205, for emergency calls, 24 hours a day, for information in case of poisoning.

Kupat Holim Information Centre Tel. 03-433300, 433600 Sunday—Thursday, 8 a.m. to 8 p.m., Friday 8 a.m. to 3 p.m.

Duty-free status spurs Eilat population boom

— Post Economic Staff

The ministry warned this week that this could wipe out the advantages Eilat enjoys as a free-trade zone. It has suggested establishing one office to deal with this problem instead of leaving it in the hands of a number of government ministries.

Eilat's population boom, according to the research, is a direct result of the business expansion which came in the wake of Eilat's new status.

Eilat's population has grown by 25 per cent since it received free-trade zone status two years ago, according to research conducted by the Industry and Trade Ministry's Economic Planning and Finance Authority in cooperation with the Eilat Municipality.

Diamond Exports Rise

Net diamond exports for last month showed a 31 per cent increase compared with the same period last year. But Industry and Trade Ministry officials are concerned that the recent stock market collapse could cause a slump in the market.

Zvi Drori, the ministry's diamond industry supervisor, said yesterday that while the stock market collapse has not had any immediate effect, there is an air of uncertainty in the industry, particularly concerning this season's Christmas sales.

CONDITORY MOCCA

Herzliya-Pithul

Chocolate cakes, Fruit cakes, Swiss chocolate, Marsh cakes, Cheese cakes — Birthday cakes, Coffee cakes — Cookies — Sandwiches, Espresso, Fridays free lunch.

146 Hamelech Street,

Shopping Centre, Tel. 570181.

עיתון לאנשים חושבים

In This Weekend's Ha'aretz

Who'll Supervise the Security Services/Zeev Schiff

Stuck in a Traffic Jam

Report From The Big City's Roadways/Roman Friester



Dying of Boredom/Yael Marcus

GLATT KOSHER

The Kashrut War: Rabbinate and Bedatz/ David Elych

THE TEN LAST MEMBERS

Difficulties at Kibbutz Pelech/Mordechai Artziel

Nehemia Strecker on a Bald Japanese on Wall Street • Gideon Smet on the Elder Sweet Lesson for the Future • Oud Gander on the Office of the Future • Shaul Zelig on the International Vanuatu Lobby • NRI Member on the Story of a Hebrew Teacher in Eilat

Political Scoops/Alkiva Elder • Party Corridors/Jan Shashori • Foreign Correspondent Tom Segov • Kossol Rush/B. Michael • TV Of Another Kind/Hedea Boesha • Street Box

ECONOMIC NEWS

Industry Ministry economists warn
Jobs in jeopardy
after dollar's fall

BY AVI TEMKIN
Post Economic Reporter
The present turmoil in the financial markets could endanger Israeli exports, and unless immediate steps are taken, a serious unemployment problem may arise, Industry and Trade Ministry economists have concluded.
A memorandum drafted by these officials stated that the fall in the dollar's value could cause immediate harm to Israeli exports. However, the document does not mention the phrase "devaluation of the shekel," as a possible solution to this problem.
The economists said that the combination of the dollar's fall and the crisis in the world's stock exchanges might lead to a serious contraction in foreign markets which will affect Israeli exports' competitiveness.
The ministry also warned that due to its huge trade deficit, the U.S. may decide to raise taxes or impose protectionist barriers against imports. A U.S. recession could also

affect Israeli exports, the memorandum added.
Local exporters may also have difficulties in the European market, the document stated, since European firms now exporting to the United States will find it hard to continue selling their wares there, and will prefer to sell closer to home. This will mean intensified competition, and also the need to cut prices of Israeli goods.
Jeff Black adds:
Industry and Trade Ministry director-general Yoram Belizovsky said last night that a devaluation was not the sole solution to exporters' problems. He said exporters' costs could be reduced if the government agreed to a reduction in the employers' National Insurance contribution. He also advised doubling the present Research and Development grant and increasing the government fund for export marketing as the means to overcome the expected difficulties facing exporters.

World stock markets
still lack confidence

By PETER MILLERSHIP
LONDON (Reuters). — The dollar bowed back yesterday to close above its recent lows, but Asian and European stock exchanges fell sharply and Wall Street was lower at mid-session.
Britain, meanwhile, decided yesterday to follow a Dutch cut in interest rates as part of the efforts to help prevent the worldwide financial market slump from sparking a global recession. Dealers said the move helped to prop up the dollar.
The dollar ended in London at 1.7115 West German marks and 137.25 Japanese yen after touching record lows during trading on Tuesday of 1.6995 marks and 135.95 yen.
After the British rate cuts — by half a percentage point to nine per cent, London's blue-chip Financial Times 100-share index, pulled back about half its losses to end at 1,608.1.
"This was still down 45.8 points, or 2.8 per cent, on Tuesday's close and the lowest closing level since the global shake-out in shares began three weeks ago."
Dealers said there was little real buying with players still jittery about slow progress in White House-Congress talks in Washington on the U.S. budget deficit and West Germany's reluctance to boost its economy. Both factors pointed to further falls in the dollar, they said.
Financial markets, meanwhile, were getting ready to turn their attention to West Germany where the Bundesbank meets today for a routine session.
Britain's new interest rate cut seemed likely to add to political pressure by the United States and several European nations for the Germans to overcome a fear of inflation and make a further cut in their rates so as to stimulate their economy.
A tug-of-war has developed between the U.S. and West Germany about how to cure the fractured world economy.
"The Bundesbank does not want to be seen to be dancing to the U.S. tune, (but) it may have no choice," said a senior treasury officer at a major U.S. bank in Frankfurt.
Markets worldwide were still numbed by Wall Street's "Black Monday" last month and anxious about the prospect of a recession developing.
Wall Street's Dow Jones industrial average touched 1,928 points at one stage yesterday morning but then bounced back to just below Tuesday's close of 1,963.53 by mid-session.
In Tokyo, where the trading day ends before Europe opens, the Nikkei 225-share index fell 298.07 points, or 1.3 per cent, to 23,060.33. Shares fell sharply in Hongkong and Sydney and eased in Singapore.

No more delays for new cars

Post Economic Staff
Buyers of new cars will now be spared the aggravating wait for delivery, following a Transport Ministry ruling yesterday. Car importers must now deliver the car to its new owner no later than 14 days after its release from customs. In addition, once the vehicle has been released from customs, further price increases cannot be imposed on the buyer.
A ministry spokesman said the ruling followed numerous complaints by purchasers who had paid in full for their new cars, only to suffer a long wait for delivery. The ministry's decision was taken after consultation with the advisory council to vehicle importers, the vehicle importers' union, and two consumer associations.

CORRECTION.— The damage caused to Arava roads during the recent floods there was NIS1.75 million and not as reported yesterday.

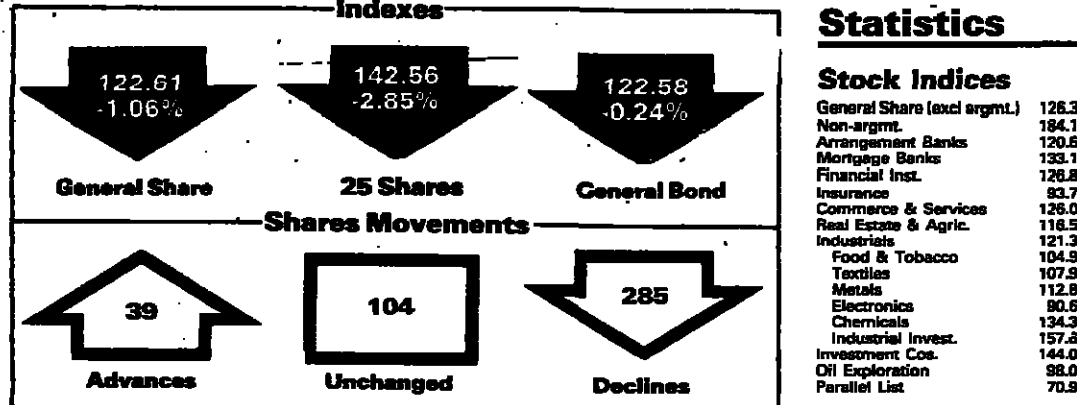
DEMJANJUK ON TRIAL

(Continued from page one)
nullyify your entire earlier testimony. Your innuendoes are severe. I wonder whether you have ever appeared in any other court."
At this juncture defence counsel Yoram Sheftel intervened. "The witness was completely shaken when he returned to the hotel last night. He has testified in court dozens of times, but he has never been attacked on the basis of his expertise."
Levin: "We won't force him, but he must expect to be cross-examined. I'll give you another recess. Either you decide to continue, or you withdraw your witness — there is no third option. Mr. Sheftel, you as an Israeli lawyer know what is permissible here. Mr. Blatman's questions were in order. There is no such thing as arguing in court. Mr. Tolstoy is an important witness for you. The conditions he puts would justify ending his testimony. We'll give you another recess — take 15, 20 minutes. Think it over."
After the recess Gill told the court that he had talked to Blatman, who had explained to him that he had no intention of attacking his witness personally. "We are willing to continue on the basis that our witness will not be offended further."
Before the trial resumed, Levin had the last word: "A witness can't dictate the terms of his cross-examination."
At the end of the day's session Tolstoy told reporters that he was being subjected to character assassination, and that an injustice was being done to him. He repeated that he thought he was being discriminated against and that such a thing would never be permitted in a European court. Asked whether he thought the trial was fair, he seemed

Pirates cut down by court

By KEN SCHACHTER
TEL AVIV. — The kibbutz that produces Soft N Easy hair removers yesterday won a court injunction here against three Israelis charged with masterminding a scheme to manufacture illicit copies of the hair remover in Hongkong, and market them worldwide.
The preliminary injunction from the Tel Aviv District Court freezes assets of up to NIS 2 million belonging to the three suspects, Ehud Barkay, Ya'acov Sarel and Yitzhak Bekhar, all of Tel Aviv, and their import company, Sun Link Ltd. The trio also are barred from attempting to reproduce the popular leg-hair remover.
Michael Shoham, a lawyer for Kibbutz Hagsholim's Mepro company, which makes Soft N Easy, said the court action was triggered by a police raid last month on a Hongkong factory. That raid, he said, netted pirated products valued at more than \$100,000 and "tons" of documents outlining plans to market the copies and thwart efforts by the kibbutz to safeguard its patents.
The pirate operation sold about 30,000 units worldwide before the raid, Shoham said, compared with about two million units sold legitimately by Kibbutz Hagsholim since last year.

Tel Aviv Stock Exchange



Selected Prices

Name	Price	Volume	% change
Sunifrost	17325	77	-
Adgar	565	6789	-2.9
Argaman	11900	483	+2.1
Dalia Gaili	2700	810	3.8
Lodda	886	425	-4.4
Ligat	288	785	-3.2
Polgar	1200	3128	-4.0
Gilbor Sabirina	7100	233	-0.6
Urdan O.I.	8800	29	-2.2
WineCable	400	11662	-1.5
Zion Cables 5.0	1180	1480	-4.0
Pecher Steel	2250	1296	-3.0
General non-arr.	15900	200	-3.0
RBI	8600	1950	-4.4

Commercial Banks (not part of arrangement)

Name	Price	Volume	% change
Bank Leumi	101655	1145	-
Bank Hapoalim	101655	1145	-
Bank Discount	101655	1145	-
Bank Mizrahi	101655	1145	-
Bank Haheretz	101655	1145	-
Bank Leumi 100.0	101655	1145	-
Bank Hapoalim 100.0	101655	1145	-
Bank Discount 100.0	101655	1145	-
Bank Mizrahi 100.0	101655	1145	-
Bank Haheretz 100.0	101655	1145	-

Mortgage Banks & Finance

Name	Price	Volume	% change
Bank Leumi	8800	282	-2.4
Bank Hapoalim	2380	1543	-2.8
Bank Discount	2380	1543	-2.8
Bank Mizrahi	2380	1543	-2.8
Bank Haheretz	2380	1543	-2.8
Bank Leumi 100.0	2380	1543	-2.8
Bank Hapoalim 100.0	2380	1543	-2.8
Bank Discount 100.0	2380	1543	-2.8
Bank Mizrahi 100.0	2380	1543	-2.8
Bank Haheretz 100.0	2380	1543	-2.8

Insurance

Name	Price	Volume	% change
Arad O.I.	1338	2421	-
Phoenix O.I.	780	5988	-
Hemsharim 1.0	3500	111	-1.6
Hemsharim 1.0	3500	111	-1.6
Behar	402	17956	-2.0
Securities	1105	400	-1.3
Zion Hold. 1	n.t.	n.t.	-

Trade & Services

Name	Price	Volume	% change
Integrans 1.0	870	2033	-4.8
Meit Ezer	870	2033	-4.8
Crystal	780	1919	-1.3
Superior	10590	443	-3.4
Lightwave O.I.	843	731	-8.3
Gold Storage 1.0	988	1389	-5.8
Don Hotels 1.0	1555	1242	+2.6
Corral Beach	5988	80	-3.2
Yarden Hotel	3080	822	-3.4
Hilon 1.0	286	23187	-4.3
M.L.L. 1.0	12777	8	-
Team 1.0	688	8973	-1.8

Real Estate, Building and Agriculture

Name	Price	Volume	% change
Al-Hov	332	8971	-4.3
Africa Int. O.I.	44520	112	-5.3
Arden	2280	424	-5.0
Danbar	6370	124	-0.9
Y.E.C.	303	20114	-3.4
Benyale O.I.	6520	889	-4.2
Israel	18438	184	-1.6
Asotim Prop.	343	27357	-1.4
Madrini	6125	1120	-
Hadarim	1850	1380	-1.1

Industrials

Name	Price	Volume	% change
Dubai	n.t.	n.t.	-
Tempo 1.0	30700	116	+3.4

Abbreviations: n.t. = not trading; n.a. = not available; n.s. = not significant

R&D fund's celebration

By JEFF BLACK
For The Jerusalem Post
The Bird Foundation yesterday celebrated its 10th anniversary by funding eight new industrial projects at a combined cost of \$3.8 million.
The Israel-U.S. Binational Industrial Research and Development Foundation was established by the two countries' governments to promote joint industrial ventures. The foundation's funds derive from the interest on an endowment of \$110m. provided by both governments.
The aim of the fund is to link Israeli R&D companies with U.S. companies who have a better understanding of the U.S. market and the marketing process in general.
Yoram Belizovsky, director-general of the Industry and Trade Ministry, yesterday stressed the foundation's importance for Israeli industry. He pointed out that Bird provides an annual \$10m. to \$12m. for Israeli R&D which is a significant sum, he said, when one remembers that the ministry's industrial research administration's budget for the government is \$80m.
Belizovsky added that, more importantly, the connection between Israeli and U.S. firms established through the foundation acts as a catalyst to encourage U.S. firms to build factories here.

Israel Money Markets

Shekel Deposits (annual rates)

Bank	Deposit	7 days	14 days	30 days
Bank Leumi	Up to 100,000	12.25	12.00	12.00
Bank Hapoalim	Up to 100,000	12.25	12.00	12.00
Bank Discount	Up to 100,000	12.25	12.00	12.00
Bank Mizrahi	Up to 100,000	12.25	12.00	12.00
Bank Haheretz	Up to 100,000	12.25	12.00	12.00

Discount (Nov. 4)

Bank	Discount	7 days	14 days	30 days
Bank Leumi	100,000+	12.00	12.00	12.00
Bank Hapoalim	100,000+	12.00	12.00	12.00
Bank Discount	100,000+	12.00	12.00	12.00
Bank Mizrahi	100,000+	12.00	12.00	12.00
Bank Haheretz	100,000+	12.00	12.00	12.00

First Intl (Oct. 4)

Bank	First Intl	7 days	14 days	30 days
Bank Leumi	100,000+	12.00	12.00	12.00
Bank Hapoalim	100,000+	12.00	12.00	12.00
Bank Discount	100,000+	12.00	12.00	12.00
Bank Mizrahi	100,000+	12.00	12.00	12.00
Bank Haheretz	100,000+	12.00	12.00	12.00

Patat (foreign currency deposit rates, Nov. 4)

Currency	3 MONTHS	6 MONTHS	12 MONTHS
U.S. dollar (\$100,000)	7.000	7.000	7.000
U.S. dollar (\$50,000)	7.000	7.000	7.000
U.S. dollar (\$25,000)	7.000	7.000	7.000
U.S. dollar (\$10,000)	7.000	7.000	7.000
U.S. dollar (\$5,000)	7.000	7.000	7.000
U.S. dollar (\$1,000)	7.000	7.000	7.000
U.S. dollar (\$500)	7.000	7.000	7.000
U.S. dollar (\$250)	7.000	7.000	7.000
U.S. dollar (\$100)	7.000	7.000	7.000
U.S. dollar (\$50)	7.000	7.000	7.000
U.S. dollar (\$25)	7.000	7.000	7.000
U.S. dollar (\$10)	7.000	7.000	7.000
U.S. dollar (\$5)	7.000	7.000	7.000
U.S. dollar (\$2)	7.000	7.000	7.000
U.S. dollar (\$1)	7.000	7.000	7.000

Shekel Foreign Exchange Rates (Nov. 4)

Currency	Rate
U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115

Foreign Markets

EUROPEAN FINANCIAL MARKETS (Nov. 4)

Market	Value
London	1,608.1
Paris	1,111.1
Frankfurt	1,111.1
Berlin	1,111.1
Munich	1,111.1
Stuttgart	1,111.1
Düsseldorf	1,111.1
Cologne	1,111.1
Essen	1,111.1
Dortmund	1,111.1
Wuppertal	1,111.1

Libor Rates

Rate	1 month	3 months	6 months	9 months	12 months
Gold	9.718	9.718	9.718	9.718	9.718
Silver	9.718	9.718	9.718	9.718	9.718
Platinum	9.718	9.718	9.718	9.718	9.718
Palladium	9.718	9.718	9.718	9.718	9.718
Rhodium	9.718	9.718	9.718	9.718	9.718
Iridium	9.718	9.718	9.718	9.718	9.718
Osmium	9.718	9.718	9.718	9.718	9.718
Vanadium	9.718	9.718	9.718	9.718	9.718
Chromium	9.718	9.718	9.718	9.718	9.718
Manganese	9.718	9.718	9.718	9.718	9.718

Foreign Currency Crossrates (London 15:30 GMT)

Currency	Rate
U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115
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U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115

NEW YORK FINANCIAL MARKETS (Nov. 4)

U.S. Money Rates

Rate	Value
Prime rate	8.00%
Fed funds rate	6.00%
Long term bond	8.25%
Discount rate	6.00%

New York Foreign Exchange

Currency	Rate
U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115
U.S. dollar	1.7115

Statistics

Market	Value
NYSE	1,608.1
NYSE	1,608.1
NYSE	1,608.1
NYSE	1,608.1
NYSE	1,608.1
NYSE	1,608.1
NYSE	1,608.1
NYSE	1,608.1
NYSE	1,608.1
NYSE	1,608.1

OVERSEAS FINANCIAL DATA

PROVIDED BY REUTERS MONITOR

Market	Value
London	1,608.1
Paris	1,111.1
Frankfurt	1,111.1
Berlin	1,111.1
Munich	1,111.1
Stuttgart	1,111.1
Düsseldorf	1,111.1
Cologne	1,111.1
Essen	1,111.1
Dortmund	1,111.1
Wuppertal	1,111.1

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The inevitable

THE issue facing Israel's economic policy makers is not whether to devalue the shekel, but when.

Routinely, devaluations are never imposed in time. Governments in Israel, and elsewhere, are reluctant to make drastic economic decisions. They prefer to have external developments force their hand.

It is worth remembering that the economic stabilization programme launched some 28 months ago was designed to ultimately enable the government to "make desired and needed structural changes in the economy. In the meantime however, stability seems to have become an end in itself, rather than simply a lever to make possible economic growth.

Originally the government gave assurances that once its deficit, as compared to the GNP, was eliminated, we would then be in a position to reduce its intervention in the financial markets, leading to lower interest rates. It succeeded with the deficit but did not reduce the total budget outlay. Instead, it finances its activity by encouraging a high standard of living that involves import of expensive, and thus highly-taxed revenue producing imported goods. And the high interest rates remain.

This strange dual policy reflects the satisfaction, both at the Treasury and the Bank of Israel, with the sole achievement of keeping the annual inflation rate at a "low" 20 per cent. They are still seized by the trauma of the massive inflow of foreign currency authored by Simha Ehrlich and Arnon Gafni in 1978-79 and the huge outflow triggered during the Avidor-Mandelbaum period in 1983, both of which severely damaged the economy.

The present governor of the Bank of Israel, Michael Bruno, and Finance Minister Moshe Nissim want to prevent a replay of either type. Thus to avoid massive inflows they levy charges on imported capital and to prevent a flight of capital they keep interest rates high.

As a result, we have more foreign exchange reserves than ever before, our moderate inflation rate, and high government revenues. Those revenues are gained from a highly-taxed business sector and the relatively cheap foreign exchange.

But all these elements that constitute our stability continue to sustain a structurally distorted economy — with a huge trade gap — and at a time when exports are becoming more difficult because of the declining dollar and imports are easier.

For a time it was possible to entertain the illusion that the U.S. would continually help us make up our balance of payments deficits. But it should now be clear even to those who had such dreams that the Americans, worried about their own economic problems, are not going to be available forever to bail us out.

Unlike some European countries whose currencies are pegged to the German mark, Israel is not bound by any such international obligations. We should, therefore, take advantage of this freedom in fixing our foreign exchange rates. This would enable us to protect our exports to the U.S., damaged by the declining dollar, and help us reduce the gap in our trade balance.

Devaluation would also enable the government to lower interest rates, which are an obstacle to growth.

It would of course be wise to supplement devaluation with an encompassing agreement with the Histadrut to prevent public sector employees, already underpaid, from being harmed. Without such understanding devaluation could lead to labour disruptions and ultimately resumed high inflation.

In any case, doing nothing now, playing the waiting game, will only make matters worse and necessitate a deeper devaluation at a later date.

IBA STRIKE

(Continued from page one)

Labour and representatives of the National Association of Journalists, there was still no end to the strike.

Porat proposed that a wage agreement retroactive from April 1, 1987 be signed with the striking journalists. Their salary increase in the first year would be that paid in the public sector — NIS 75. In the two following years, they would receive the average of all pay rises in the public sector agreed upon by the Treasury and the Histadrut.

In addition, savings, through efficiency measures, would be passed on to all IBA employees as a 5 per cent efficiency increment.

Dismissals as such were not discussed. Instead, the talk revolved around voluntary retirement.

Following consultations with their colleagues, the journalists rejected the proposals, but made it clear to the IBA management that they are interested in continuing the negotiations.

The atmosphere at the meeting was businesslike, with tacit agreement on both sides not to indulge in recriminations and a public pledge that the talks would continue.

Earlier in the day Finance Minister Moshe Nissim reaffirmed his determination not to give in to the strikers' demands. Wage structures, he declared, are major factors in maintaining economic stability.

The only way for the IBA journalists to receive a pay increment he said, was for them to agree to a substantial reduction of their own ranks.

Asher Wallfish Adds: At the Knesset yesterday, the Labour Alignment halted all discussion in committee on legislation for the Second Channel Authority (SCA), warning the Likud that if it did not implement an agreement reached earlier this year between the parties about creating an enlarged management committee in the IBA, the SCA would never be permitted to get off the ground.

NO CHANGE

(Continued from page one)

cials have been worried about the annual military aid package of \$1.8 billion. The U.S. undertook to provide that sum for another two years only, and it was not clear what would happen after that.

At yesterday's talks with Rabin — and in earlier meetings with Prime Minister Shamir and Vice Premier Peres — Armitage reiterated that the U.S. stands firm behind its commitments for off-shore procurements and directed offsets. One of his assignments was to assure Israeli leaders of this commitment, he said, "and I have done that."

These commitments call for U.S. purchases in Israel to the tune of \$150m. a year over the next two years and for paying some \$300m. to \$400m. for goods the Israeli defence establishment will produce here for the IDF's use.

One of the topics discussed was the price Israel would pay for the additional F-16s it seeks in place of the Lavi it decided not to build. Armitage said he discussed ways to get "the best possible deal" regarding F-16s. Israel wants Washington to negotiate the price on its behalf

and get the manufacturers to knock it down to what the U.S. Air Force pays — but it was not clear whether the U.S. administration was willing to do so.

Defence sources told *The Jerusalem Post* that Israel has not formally requested to co-produce the F-16, nor made any formal decision about what version of the aircraft it requires and in what numbers.

These sources pointed out that Israel was only in the very early stages of examining the implications of the Lavi cancellation, and assessing Israel's future military needs. Until final closure costs are estimated, including penalty payments that could be anywhere between \$400 million and \$550 million, and the defence establishment knows how much money it has available, no firm decisions will be made on any major weapons systems.

Included in this category is the procurement of 75 additional F-16s, in either the C or Agile Falcon versions, the SAAR-V missile boat and participation on a 20/80 basis (with the U.S. putting up the 80 per cent) on the development of an anti-tactical-ballistic-missile system.

How the Israeli parties underestimated the Diaspora fund-raisers

Banking on illusions

Charles Hoffman

THE ISRAELI parties involved in the current scramble for power in the World Zionist Organization and Jewish Agency have shown a remarkable capacity for self-delusion where the behaviour of their partners, the Diaspora philanthropists, is concerned.

Someone came up with the brilliant idea several months ago in the Labour Party that they could pull a fast one on the Diaspora fund-raisers who run the Agency together with the WZO. The heads of Labour were well aware that there was widespread opposition among the fund-raisers to the candidacy of Labour stalwart Akiva Lewinsky for the post of WZO/Agency chairman.

This opposition had been expressed informally for many months prior to Lewinsky's election as Labour's candidate for chairman in July by the party central committee. Lewinsky has served as WZO/Agency treasurer since 1978.

The heads of the Labour Party conveniently overlooked the fact that their Diaspora partners have the right to review and veto candidates put up by the WZO for top Agency posts. This right to hold a process of "advise and consent" on the candidates was granted by the Israeli political establishment as part of the 1971 agreement to reorganize the Agency. This right is reciprocal, by the way, and gives the WZO the right to veto unacceptable Diaspora candidates for the post of chairman of the board of governors.

The clever strategists of Labour thought that once Lewinsky had been anointed by the central committee, the fund-raisers would meekly accept him, just as they have swallowed other unsavoury ploys by their Israeli partners over the years. This was Labour's first mistake, and it was a big one.

The Labour leaders who foisted this strategy on their party must not have been aware of the greater sophistication, militancy and activism in Agency affairs that has emerged in the fund-raising community over the past several years. If they were aware, they must have chosen to cling to the illusion that they were immune to it. A demonstration of the fund-raisers' new-found militancy was provided in February, when they gave WZO/Agency chairman Arye Dulin a thrashing for his role in the Bank Leumi scandals, and forced him to promise to resign after his current term.

But politicians seem to have very short memories, so Labour neglected to submit Lewinsky's name to a process of advise and consent before his nomination.

THIS STRATEGY blew up in Labour's face last week when the fund-raisers formally vetoed Lewinsky's candidacy. But Labour's capacity for self-delusion again went into high gear, and it cast about for all sorts of reasons to believe that it hadn't really happened.

One theory that Labour tried to peddle to the press was that Jerold Hoffberger, who presided over the meeting that turned thumbs down on Lewinsky, was the villain. Hoffberger stepped down last week as chairman of the board of governors,

and his opposition to Lewinsky was well known. Indeed, he managed to prolong his term by several months just so he could deliver the coup de grace to Lewinsky.

Apologists desperate to salvage the Labour strategy said that once Hoffberger was gone, the way would be clear for a re-evaluation of Lewinsky's candidacy by the fund-raisers, this time on more favourable terms. Hoffberger was seen as the main source of opposition to Lewinsky, and was portrayed as a sort of Don Corleone of the fund-raising world who had forced his colleagues to go along with him — or else.

Again, Labour chose to view the fund-raising leaders as a weak, passive lot without minds of their own who were incapable of independently arriving at and sticking to a decision. What is more, Labour was unaware that the fund-raisers from the larger American communities had come with orders from their colleagues at home that Lewinsky must go. So in this sense, they represented a broad consensus on the issue.

The new chairman of the board of governors, Mendel Kaplan, helped clear the air when he told Lewinsky himself and Labour leader Shimon Peres in no uncertain terms that there was no way the fund-raisers would or should change their decision. He said that the fund-raisers had been denied their right to advise and consent before Lewinsky's nomination, and were intent on exercising it now.

Labour had misread Kaplan too in the days following the vote against Lewinsky, and were reading into his public remarks all sorts of reasons as to why he would help them get out of this mess of their own making. This speculation too turned out to be nonsense.

LABOUR'S CAPACITY for self-delusion is all the more remarkable for a party that has appeared to be closer to the fund-raisers than the Likud, and which has repeatedly endorsed the principle of partnership upon which the Agency is based.

It is in this light, then, that Labour should consider the likely consequences of a course that insists on shoving an unpopular Lewinsky down the throats of an unwilling fund-raising community. If Labour manages to get its coalitionary act together for the Zionist Congress, then it will have the votes to do this, by electing Lewinsky as chairman of the WZO. Labour would then be forcing a destructive showdown with the fund-raisers that could eventually destroy the Agency.

There are some who would argue that this would not be a bad idea, but apparently this is not Labour's intention.

It will suffice to quote no less an authority than Lewinsky himself, in order to point out some of the destructive consequences of electing him as chairman under the present conditions.

In recent months Lewinsky has on several occasions expressed the con-

cern — perhaps nightmare would be closer to the truth — that if the American fund-raisers become increasingly alienated from the Agency, they will take their money out of the Agency and put it into an organization like the Joint Distribution Committee.

In this case they would still be spending a good portion of their philanthropic dollars in Israel, but they would be doing it through an organization like the JDC, which is controlled entirely by its American board of directors. Then the fund-raisers wouldn't have to worry about advise and consent and all the other headaches that they have suffered over the years in their partnership with the WZO.

The JDC already gets a small slice of what American Jews raise for Israel, and there is no reason why it could not get a much larger share. This could happen within a few years, and the vast majority of the donors would not even know the difference. They would still be giving their money "to Israel."

A Labour attempt to fight to the bitter end over Lewinsky's candidacy will certainly wreck the statesman-like image that his supporters have been carefully trying to cultivate over the past several months.

In September, Lewinsky sent a letter to all members of the Agency Assembly outlining changes he wants to make. It was hard enough then to believe his newly found rhetoric of reform. It will be even harder to do so if he persists in trying to override advise and consent, one of the central prerogatives of the fund-raisers in the Agency. In this case, even if he wins, he loses.

And what about Labour leader Shimon Peres? Recently he raised a storm of controversy when he invited American Jews to take part in the debate on the peace process in the Middle East. Does he think that American Jews have less of a right to have a say in who heads the Agency, which is supported mainly through their donations?

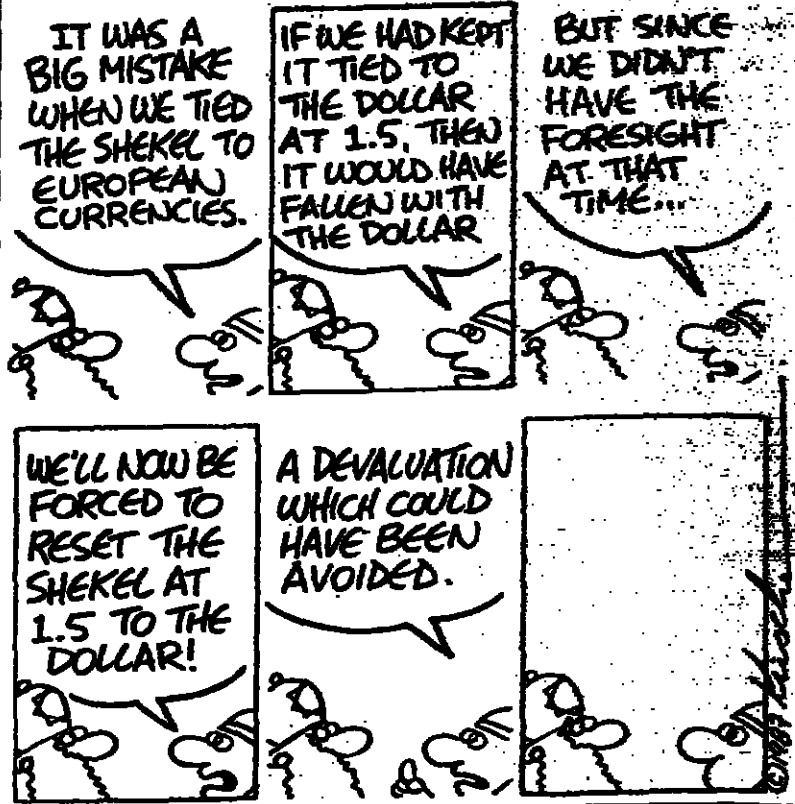
DOES LABOUR want to win the battle over Lewinsky but lose the war over the Agency? Does it want to cling to the illusion that the Americans will love the Agency even more than they do today, with a man at the helm that they have openly, formally and resoundingly rejected?

It is not clear at this point, however, if Lewinsky still has anything to say about his candidacy within the party. Various leaders and power blocs have lined up behind him — but maybe only the better to put a knife in his back.

Whatever the case, his most vociferous backers come from the United Kibbutz Movement (Takam), which is fitting in Lewinsky's case, since he is a veteran kibbutznik. In these financially troubled times for rural settlement, the Takam would obviously prefer to have one of their own close to the Agency till.

In another context, the Takam has been described as the "reactionary agrarian" segment of the party.

Dry Bones



Where Israel-Diaspora relations are concerned, this designation seems to be similarly appropriate. Most of the Takam leaders apparently think of Diaspora donors as simple Jews putting their nickels and dimes in blue-and-white JNF boxes, who will meekly fall into line if the Labour factions would only put up a united front in support of their comrade.

But this too is simply another illusion. It is not clear, though, if anyone in the party wants to risk his political neck by trying to convince the powerful Takam that it is too late for illusions to save Lewinsky.

TO BE even-handed, let us take a look at some of the Likud folly to come to light in the recent bouts of Agency infighting.

About 10 days ago, Labour caught the Likud with its political pants down by signing a coalition agreement for the Zionist Congress with Mapam, the Confederation of United Zionists (Hadassah) and the Reform and Conservative Zionist organizations. One of the aims of this pact was to keep the Likud from getting the post of WZO/Agency treasurer, the second most powerful position in the hierarchy.

The Likud, which was caught off guard without a candidate of its own for chairman, had to find one in a hurry and come up with a strategy to counter the Labour ploy. After some fumbling around, the Likud settled on Science Minister Gideon Patt.

The senior Herut figure in the WZO/Agency, Matityahu Drobles, stepped forward as the Likud strategist for the Congress, even though he doesn't know English and understands even less about the mentality of the American Zionists whom the Likud were hurrying to court.

Drobles focused his illusions on the ability of the urbane, pipe-smoking Gideon Patt to conjure up votes at the Zionist Congress. Drobles had visions of parading Patt before the Hadassah ladies at the Congress, who would supposedly be smitten with his charm.

"If you were a 40-year-old woman at the Congress," Drobles asked, "and you had a choice between voting for Patt, an attractive govern-

ment minister, and Lewinsky, who is tired and lacks charisma, whom would you prefer?"

This male chauvinist platform outraged Hadassah leaders. Former Hadassah president Bernice Tannenbaum said that Drobles' remark was "sexist and in very poor taste." Women in leadership positions in Zionist organizations today are highly educated and well aware of current events. They will select leaders according to their qualifications and not on the basis of how handsome they are.

Another WZO politician who has created some havoc in pursuit of his illusions is WZO/Agency chairman Arye Dulin. Due to his obsession with the idea that he should be made president of the WZO — 50 years in Zionist politics doesn't seem to be enough for him — he helped set the ambush for Lewinsky where he was shot out of the saddle by the fund-raisers.

Lewinsky had to go because he wouldn't support a "Dutzin for president" movement.

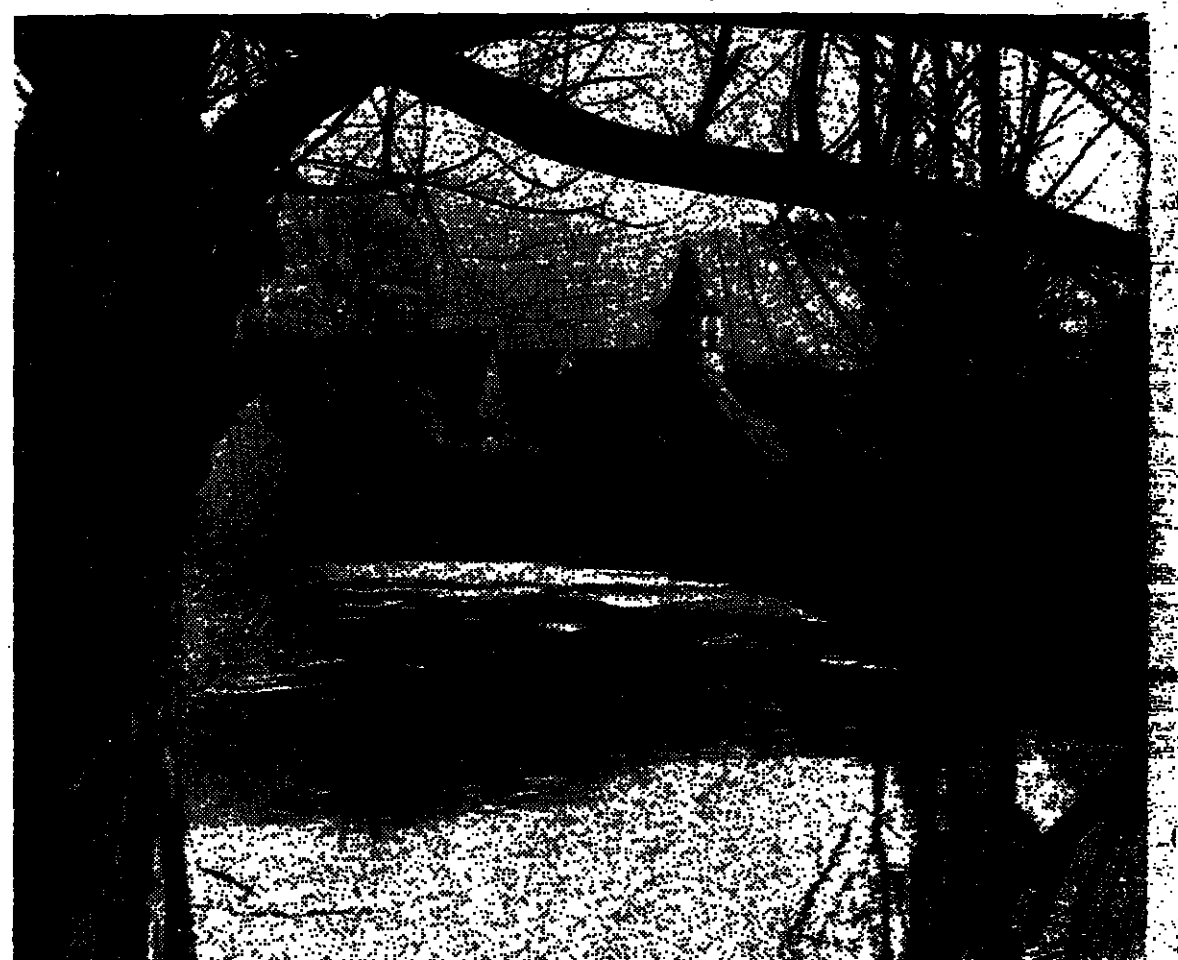
In search of allies in the Likud who would back him for president, Dulin planted fantastic stories in the Hebrew press that he could "deliver the American Zionists" for a Likud candidate. This was while Labour was putting the finishing touches on its coalition agreement with the groups that Dulin was supposed to hand gift-wrapped to the Likud candidate.

Last week at the board of governors meeting Dulin got carried away by his delusions. In a dramatic session in the Agency building in Jerusalem, where board members heard Ida Nudel and Vladimir and Maria Slepak, Dulin explained to his honoured guests that in the hall where they now stood, the state of Israel was proclaimed.

Since most competent authorities place this event in Tel Aviv, it looks as though the Jewish people can expect a bold rewriting of history with Dulin as WZO president. But perhaps this is what a movement based to such an extent on illusions deserves.

The writer is a member of The Jerusalem Post's editorial staff.

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READERS' LETTERS

ONE-STOP OFFICE

To the Editor of *The Jerusalem Post*: Sir, — In his article of October 20, "Government red-tape stalls anti-bureaucracy project," Ken Schachter writes that: about a year ago, the Operation Independence Task Force presented the government with a position paper urging the establishment of a "one-stop office" designed to smooth the path for foreign businessmen seeking to invest in Israel.

For history's sake, I wish to point

out that, in the course of the First Economic Conference held in Jerusalem in April 1968, a resolution was adopted to establish such a one-stop office.

While the present position paper is based on a similar authority created in Ireland, our proposal was based on the excellent experience of Puerto-Rico's one stop office in New York.

S.P. DORON

Jerusalem.

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